Bond No. B001617R04-05-05

RECEIVED
APR 06 2005
DIV. OF OIL, GAS & MINING

SURETY RIDER

To be attached to and form a part of Bond No. B001617 on behalf of Marion Energy Inc., as principal and executed by U.S. Specialty Insurance Company, as surety.

Effective date of bond: March 31, 2005
Effective date of change: March 31, 2005

In consideration of the mutual agreement herein contained, the principal and the surety hereby consent to the following changes:

The penalty amount of the bond has changed from:

$150,000.00

TO:

$120,000.00

Nothing herein contained shall vary, alter, or extend any provision or condition of this bond except as herein expressly stated.

SIGNED, SEALED AND DATED THIS: April 5, 2005

State of Utah Dept. of Natural Resources Division of Oil, Gas and Mining Name of Obligee	U.S. Specialty Insurance Company Name of Surety
Earlene Russell Signature	W. Russell Brown Signature
EARLENE RUSSELL ENGINEERING TECHNICIAN, BONDING Name and title of person executing for Principal	W. Russell Brown, Jr. Attorney-in-Fact Name and title of person executing for Surety

1937

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SIGNED, SEALED AND DATED THIS: April 5, 2005

State of Utah
Dept. of Natural Resources
Division of Oil, Gas and Mining
Name of Obligee

Earlene Russell
Signature

EARLENE RUSSELL
ENGINEERING TECHNICIAN, BONDING
Name and title of person executing for Principal

U.S. Specialty Insurance Company
Name of Surety

W. Russell Brown
Signature

W. Russell Brown, Jr. Attorney-in-Fact
Name and title of person executing for Surety

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: STATE ML-1256	6. SURFACE: Fee
7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
8. UNIT or CA AGREEMENT NAME: Clear Creek Unit	
9. WELL NAME and NUMBER: Oman # 10-29	
10. FIELD AND POOL, OR WILDCAT: ~~[illegible]~~ Clear Creek	
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 29 13S 7E	
12. COUNTY: Carbon	13. STATE: UTAH

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER ______ SINGLE ZONE ☑ MULTIPLE ZONE ☐

2. NAME OF OPERATOR: Marion Energy Inc.

3. ADDRESS OF OPERATOR: 119 S. Tennessee #200 CITY McKinney STATE TX ZIP 75069 PHONE NUMBER: (972) 540-2967

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 444.29ft FNL 1284.09ft FEL / NE/4 Section 29 13S-7E
AT PROPOSED PRODUCING ZONE: 2970ft FNL NE/4 2390ft FEL /SE/4 Section 29 13S-7E (NWSE)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approx 1.75 miles North West of Clear Creek Utah

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): Surface 444.29ft

16. NUMBER OF ACRES IN LEASE: 480

17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 25ft form directional well located on same pad

19. PROPOSED DEPTH: 6,000

20. BOND DESCRIPTION: See Attached Bond Document

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 8416 GR

22. APPROXIMATE DATE WORK WILL START: 7/1/2006

23. ESTIMATED DURATION: 30 days

Old Location [illegible]

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
16 1/4"	13 3/8"	J-55	61#	500	Premium "G"	420 sk	1.25 cuft/sk	14.2 ppg
12 1/4"	8 5/8"	J-55	36#	2,200	Lead: Prem. Lite	197 sk	3.82 cuft/sk	11.0 ppg
					Tail: 50/50 Poz	75 sk	1.25 cuft/sk	14.2 ppg
7 7/8"	5 1/2"	J-55	17.0#	6,000	Lead: Prem Lite	397 sk	3.82 cuft/sk	11.0 ppg
					Tail: 50/50 Poz	250 sk	1.25 cuft/sk	14.2 ppg

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☑ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Benjamin Evans TITLE Landman

SIGNATURE [illegible] DATE 6/9/06

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31210

APPROVAL:

Surf 486452X
4390557Y
39.666600
-111.157949

BHL 486119X
4389787Y
39.659663
-111.161812

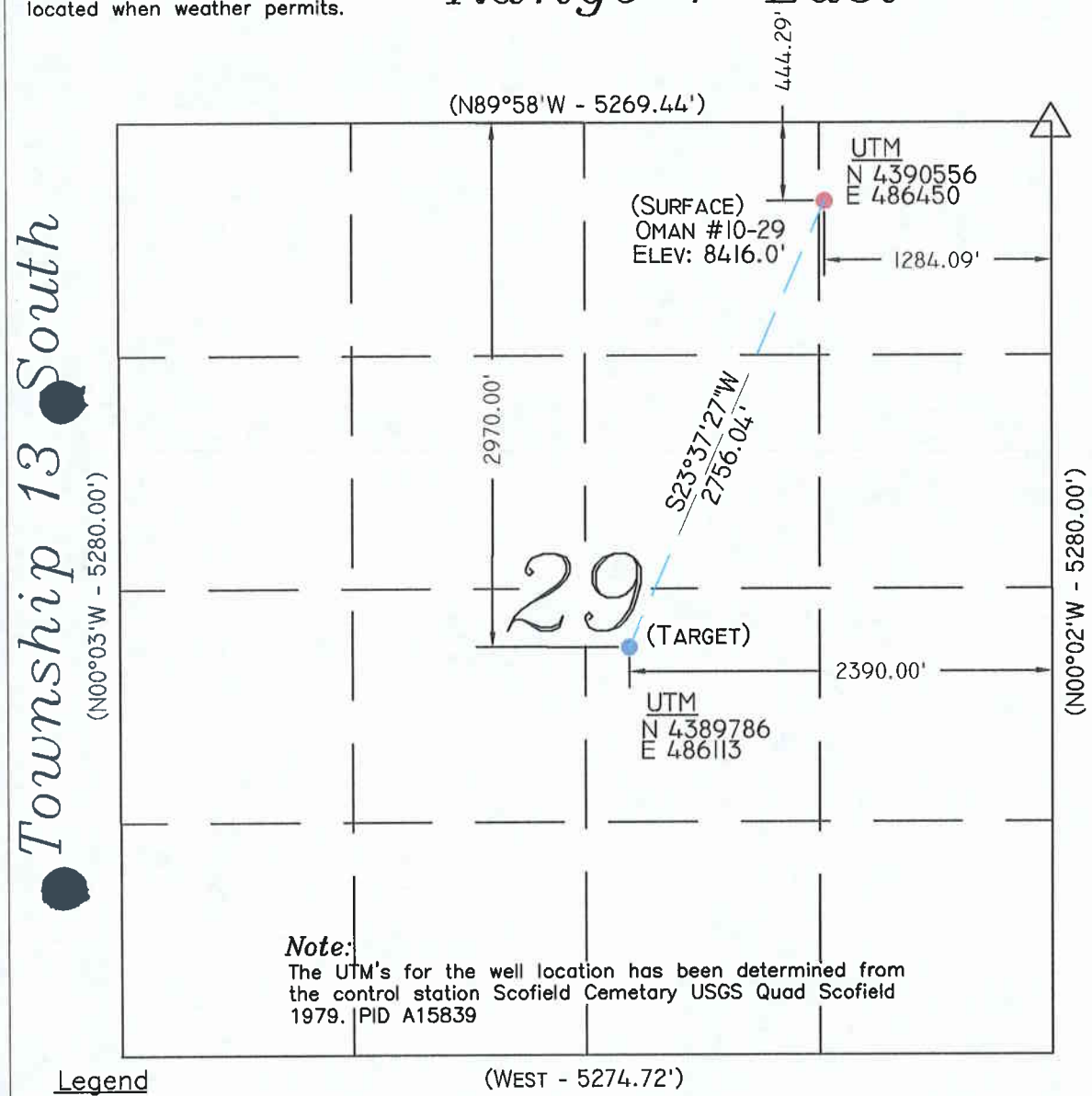
(11/2001)

(See Instructions on Reverse Side)

RECEIVED
JUN 1 2 2006
DIV. OF OIL, GAS & MINING

Note:
A more definite location to be located when weather permits.

Range 7 East



Note:
The UTM's for the well location has been determined from the control station Scofield Cemetary USGS Quad Scofield 1979. PID A15839

Location:
The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:
The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 7740' being a NGS Triangulation Point – Scofield Cemetary Carbon County, Utah in Section 32, Township 12 South, Range 7 East, Salt Lake Base and Meridian, as shown on the USGS Quad Scofield (1979).

Description of Location:
Surface Location

Proposed Drill Hole located in the NE/4 NE/4 of Section 29, T13S, R7E, S.L.B.&M., being 444.29' South and 1284.09' West from the Northeast Section Corner of Section 29, T13S, R7E, Salt Lake Base & Meridian.

Target Location

Proposed Target located in the NW/4 SE/4 of Section 29, T13S, R7E, S.L.B.&M., being 2970.00' South and 2390.00' West from the Northeast Section Corner of Section 29, T13S, R7E, Salt Lake Base & Meridian.

Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

REGISTERED LAND SURVEYOR
6/8/06
No. 146652
Albert J. Spensko
STATE OF UTAH

Legend

- Drill Hole Location
- Metal Cap (Found)
- Brass Cap (Searched for, but not found)
- Calculated Corner
- ( ) GLO

GPS Measured

NOTES:
1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

SURFACE
LAT / LONG
39°39'59.737"N
111°09'28.693"W

TARGET
LAT / LONG
39°39'34.741"N
111°09'42.778"W

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

Revision: 6/6/06

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonsetv.net

Marion Energy Inc.

Oman #10-29
Section 29, T13S, R7E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 6/5/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2457-A

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

June 20, 2006

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Clear Creek Unit Carbon County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Clear Unit, Carbon County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Ferron)		
43-007-31209	Oman 14-20	Sec 29 T13S R07E 0437 FNL 1302 FEL BHL Sec 20 T13S R07E 1220 FSL 3020 FEL
43-007-31210	Oman 10-29	Sec 29 T13S R07E 0444 FNL 1284 FEL BHL Sec 29 T13S R07E 2970 FNL 2390 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File – Clear Creek Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

Marion Energy Inc.

October 12, 2006

Diana Whitney
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Directional Drilling R649-3-11

Oman #10-29: 2052' FSL, 1581.18 FEL, / SE/4 Section 29 13S-7E (Surface)
1045' FNL, 2032' FWL, / NW/4 Section 29 13S-7E (bottom hole)
Carbon County, UT.

Dear Ms. Whitney

Pursuant to the filing of Marion Energy Inc.'s Application for Permit to Drill the above referenced well on October 13, 2006, we are hereby submitting this letter in accordance with Oil and Gas Conservation Rule R649-3-11 pertaining to the exception to location and Sitting of wells.

- The Oman #10-29 well is located within the Clear Creek Federal Unit Area.
- Marion Energy Inc. is permitting this well as a directional well in order to maximize drainage of the reservoir in a topographically challenging area.
- The concept of drilling Multiple directional wells from a single pad site will allow Marion Energy Inc. to minimize surface disturbance that would be otherwise caused by two or more separate pad sites, as the plan is too drill two directional wells.
- Marion Energy Inc. hereby certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

Therefore, based upon the above information Marion Energy Inc. requests the permit be granted pursuant to R649-3-11.

If you require any further information, please do not hesitate to contact me at (972) 540-2967 ext. 3008 or email sjacoby@marionenergy.com

Sincerely,

Scott Jacoby
Landman
Marion Energy Inc.

119 South Tennessee, Suite 200, McKinney, Texas, 75069
Telephone: (972) 540-2967, Fax: (972) 547-0442

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO:	6. SURFACE:
State ML-1256	Fee

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME:

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☐ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME: Clear Creek Unit

2. NAME OF OPERATOR: Marion Energy, Inc.

9. WELL NAME and NUMBER: Oman 10-29

3. ADDRESS OF OPERATOR: 119 S. Tennessee CITY McKinney STATE TX ZIP 75069

PHONE NUMBER: (972) 540-2967

10. FIELD AND POOL, OR WILDCAT: ~~Wildcat~~ Clear Creek 10

4. LOCATION OF WELL (FOOTAGES) 486366X 4389713Y 39.658997 -111.158931

AT SURFACE: 2052' FSL, 1581.18 FEL/ SE/4 Section 29 13S 7E

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S R7E

AT PROPOSED PRODUCING ZONE: 1045 ft. FNL, 2032 ft. FWL/ NW/4 Section 29 13S-7E
485883X 4390375Y 39.664952 -111.164574

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 1.25 Mile NW of Clear Creek, Utah

12. COUNTY: Carbon

13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
1650 feet	480.00	40
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
20 Feet	5,860	See attached - Bond Documents
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
8,576.30feet	11/15/2006	30 Days

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
14 1/4"	10 3/4" J-55 40.50	500	Prem Plus III	323 sx	1.41cuft/sk	14.20 ppg
9 7/8"	7 5/8" J-55 26.40	1,850	Lead: Prem. Lite	133 sx	3.82 cuft/sk	11.0 ppg
			Tail: 50/50 Poz	122 sx	1.41cuft/sk	14.20 ppg
6 3/4"	5 1/2" J-55 17.0	5,860	Lead: Prem. Lite	122 sx	3.82 cuft/sk	11.0 ppg
	Liner top @ 1650'		Tail: 50/50 Poz	103 sx	1.41cuft/sk	14.20 ppg

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☑ COMPLETE DRILLING PLAN
☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Keri Clarke TITLE Vice President, Land Deparment

SIGNATURE _____ DATE 10/13/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31210

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 05-14-07

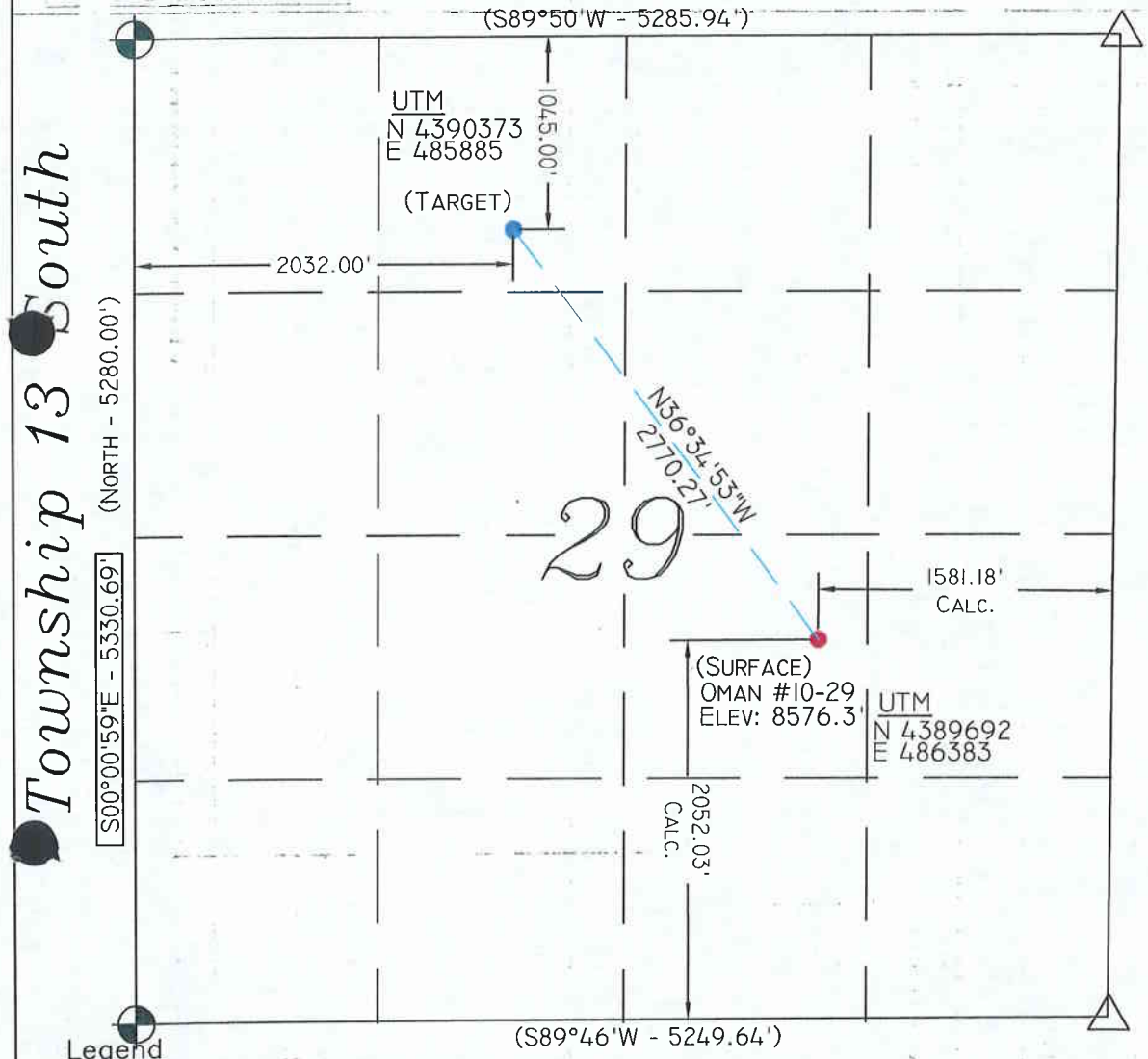
By: _____

RECEIVED
OCT 16 2006
DIV. OF OIL, GAS & MINING

(11/2001) (See Instructions on Reverse Side)

Range 7 East

Township 13 South



Legend

- Drill Hole Location
- Metal Cap (Found)
- Brass Cap (Searched for, but not found)
- Calculated Corner
- ( ) GLO

GPS Measured

NOTES:

1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

SURFACE	TARGET
LAT / LONG	LAT / LONG
39°39'31.805"N	39°39'53.768"N
111°09'31.231"W	111°09'52.392"W

GRAPHIC SCALE

0 — 500' — 1000'

(IN FEET)

1 inch = 1000 ft.

Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:

Basis of Elevation of 7740' being a NGS Triangulation Point – Scofield Cemetary Carbon County, Utah in Section 32, Township 12 South, Range 7 East, Salt Lake Base and Meridian, as shown on the USGS Quad Scofield (1979).

Description of Location:

Surface Location

Proposed Drill Hole located in the NW/4 SE/4 of Section 29, T13S, R7E, S.L.B.&M., being North 2052.03' from South Line and West 1581.18' from East Line of Section 29, T13S, R7E, Salt Lake Base & Meridian.

Target Location

Proposed Target located in the NE/4 NW/4 of Section 29, T13S, R7E, S.L.B.&M., being South 1045.00' from North Line and East 2032.00' from West Line of Section 29, T13S, R7E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

REGISTERED LAND SURVEYOR
9/21/06
No. 146652
Albert J. Spensko
STATE OF UTAH

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonsetv.net

Marion Energy Inc.

Oman #10-29
Section 29, T13S, R7E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No.: A-1	Date: 9/20/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No.: 2568-A

CARBON COUNTY PLANNING AND BUILDING DEPARTMENTS
120 East Main Street • Price, Utah 84501 • (435) 636-3260 • Fax (435) 636-3264

February 9, 2006

Scott Jacoby
Marion Energy, Inc.
119 South Tennessee, Suite 200
McKinney, TX 75069

Re: Zone change request and conditional use permit request for six (6) gas wells in the Clear Creek area: Alpine School District 3-17, Oman 14-20, Jacob 5-5, Madsen 2-30, Woolsey 3-31, and Oman 7-19.

Dear Mr. Jacoby:

This is to confirm that the Carbon County Planning Commission met in a regularly scheduled meeting February 7, 2006 to consider Marion Energy, Inc.'s request for a zone change from WS to MR, and for a conditional use permit for six (6) gas wells, as mentioned above.

As you know from having attended this meeting, the requests were approved, with the following additional conditions:

- Use liners for containment ponds, and any diesel tanks
- Berms around sites
- No noise emitted beyond 55 db at 100' from well head; baffle is necessary
- Keep truck traffic through Clear Creek to a minimum
- Control erosion
- No open fires allowed on site, unless attended

We will now submit an ad for the public notice to the Sun Advocate, for which you will be billed, for a public hearing to be held before the County Commission Wednesday March 1, 2006 at 4:30 p.m. in the Courthouse. You may want to attend this meeting to answer any questions which may arise.

Please contact our office if you have any questions.

Sincerely,

Gayla M. Williams
Zoning Administrator

Cc: Mel Coonrod, EIS

Dave Levanger
Building Official/Director of Planning
636-3261

Lew Korenko
Deputy Building Official
636-3262

Gayla Williams
Zoning Administraror
636-3710

Rex Sacco
Lands and Access Coordinator
636-3712

Ann Price
Administrative Assistant
636-3260

Marion Energy Inc.

October 13, 2006

Utah Division of Oil Gas and Mining
ATTN: Diana Whitney
1594 West North Temple, Suite 1210
Salt Lake City, Utah
84116

RE: Oman 10-29 Surface Ownership

Dear Ms. Whitney

Please find the information below regarding the Surface Owner of the Oman 10-29

Oman Ranches LLC
C/O Darin Caine
1504 Zenith Ave
Salt Lake City, UT
(801) 463-2874

If you require any further information, please do not hesitate to contact me at (972) 540-2967 ext. 3008 or email sjacoby@marionenergy.com

Sincerely,

Scott Jacoby
Landman
Marion Energy Inc.

119 South Tennessee, Suite 200, McKinney, Texas, 75069
Telephone: (972) 540-2967, Fax: (972) 547-0442

Surface Use Plan
Mid-Power Resource Corporation
Oman 10-29

Thirteen Point Surface Use Plan

1. Existing Roads

   a. The proposed well site is located approximately 1.5 miles north of Clear Creek, Utah and approximately 4 miles South of Scofield, Utah..

   b. Directions to the location from Scofield, Utah are as follows:

      Head south from Scofield Utah on Highway 96, approximately ½ mile north of the Village of Clear Creek you will turn right onto Boardinghouse Canyon Road (which is a private road owned by numerous individuals) You will follow Boardinghouse Canyon Road for approximately 1/5th of a mile and take the turn off to the right. You will follow this road approximately 4tenths of a mile. You will then come to a clearing where a road will be built to the pad site approximately half a mile from the existing road.

   c. For location of access roads see Maps A & B.

   d. Top map A is the vicinity map showing the access route from Clear Creek, Utah.

   e. Topo map B shows the proposed access road to each well. It also shows existing roads in the immediate area

   f. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

   g. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. Planned Access Roads

a. The access roads to this location will be using an existing private road up the Boardinghouse Canyon

b. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location

a. Water wells – none

b. Injection wells – none

c. Producing wells – Please see topo location map L-1

d. Drilling wells –Oman 2-32

e. Shut-in wells – Utah Fuel #4; Utah State #1; Utah Fuel #8

f. For reference please see topo map B

4. Location of Tank Batteries and Production Facilities

a. All permanent structures (onsite for six months or longer) constructed or installed (including pump jacks) will be painted a neutral color to blend with the surrounding environment. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the wellpad shall be surrounded by a containment dike or sufficient capacity to contain at a minimum, the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

c. All loading lines will be placed inside the berm surrounding the tank battery

d. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced. All buried pipelines shall be covered to a depth of 3ft except at road crossings where they shall be covered to a depth of 4ft.

e. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.

f. Any necessary pits will be properly fenced to prevent any wildlife entry.

g. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

h. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.

i. The road will be maintained in a safe useable condition.

j. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.

k. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities.

5. Location and Water Supply

a. Any water to be used for the drilling of this well will be from the Price River Water Improvement District (an adjudicated industrial water source) and transported by a local trucking company (Nielson Construction).
b. No water wells are to be drilled.

6. Source of Construction Material

a. Surface and subsoil materials in the immediate area will be utilized.

b. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads in the area. No special access other than for drilling operations and pipeline construction is needed.

c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.

d. No construction materials will be removed from Federal land.

7. Methods of Handling Waste Disposal

a. The reserve pit will be constructed so as not to leak, break, or allow discharge. The reserve pit will be lined with a minimum 10mil plastic liner.

b. The reserve pit will be constructed of sufficient size and capacity for the necessary fluids for drilling and to contain any runoff from the drill site. Pits will not be constructed within intermittent or perennial stream channels.

c. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill. All wastes caused by the construction activities shall be promptly removed and disposed of in a sanitary landfill or as directed by the company representative.

d. The reserve pit will be constructed in undisturbed material and below the natural ground level.

e. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling operation and the pit will be fenced during drilling and completion operations.

e. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.

f. After first production, produced waste water will be confined to a unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

g. Drill cuttings are to be contained and buried in the reserve pit.

h. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.

i. Sewage will be placed in a portable chemical toilet or holding tank and disposed of in accordance with state and county regulations.

j. The produced fluids (other than water) will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.

8 .Ancillary Facilities

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

a. All cut and fill slopes will be such that stability can be maintained for the life of the activity. The upper edges of all cut banks on the access roads and well pads will be rounded. Cut and fill slopes will be constructed as follows:

Height of Slope	Slope
0-5 feet	3:1
6-10 feet	2:1
Over 10 feet	1-1/2:1

b. All fills will be free from vegetative materials and will be compacted in lifts no greater than 12 inches in thickness to a minimum of 90 percent Proctor dry density sufficient to prevent excessive settlement.

c. The working surface of the drill site will be surfaced with crushed gravel to a depth sufficient to support anticipated loads throughout the life of the well. Usually a depth of 12 inches of gravel is anticipated.

d. A diversion ditch having the minimum dimensions of 3 feet horizontal to 1 foot vertical (3:1 ditch), will be constructed around the site to divert surface waters from flowing onto the site. The ditch will be located at the base of the cut slope and around the toe of the fill slopes (see Drawing No. 1 – Construction Requirements of Typical Well Sites). A straw dike will be constructed in the ditch outflow to trap any sediment produced from the raw slopes. A culvert will be necessary where the access road enters the site.

e. A berm will be constructed around the perimeter of the site to contain all precipitation, spills, and other fluids from leaving the site. The berm will be a minimum of 18 inches high, 12 inches wide at the top, and having 1-1/2:1 side slopes. The site surface will be graded to drain to the reserve pit. The drainage pattern to be constructed will be modified for each site, depending on the site specific conditions.

f. The reserve pit will be located on the Northwest side of the location.

g. The stockpiled topsoil (first six inches or maximum available) will be stored along the perimeter of the location as shown on the location platt.

j. All pits will be fenced to prevent wildlife entry.

k. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup. Reclamation will be undertaken no later than the fall of the year after all drilling activity has ceased.

10. Plans for Restoration of Surface

Dry Hole

a. Rehabilitation of the entire site will be required and will commence immediately after the drilling is complete. The site will be restored as nearly practical to its original condition. Cut and fill slopes will be reduced and graded to conform to the adjacent terrain.

b. Drainages will be reestablished and temporary measures will be required to prevent erosion to the site until vegetation is established.

c. Generally speaking, the standpipe for well identifications will be removed on National Forest lands. A final determination will be made on a case-by-case basis.

d. After final grading and before the replacement of topsoil, the entire surface of the site shall be scarified to eliminate slippage surfaces and to promote root penetration. Topsoil will then be spread over the site to achieve an approximate uniform, stable thickness consistent with the established contours.

e. A temporary fence will be constructed around the site until vegetation is established. The fence will then be removed.

f. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment.

Producing Location

a. Site reclamation for producing wells will be accomplished for portions of the site not required for the continued operation of the well. All disturbed surface will be treated to prevent erosion and to complement the esthetics of the area.

A new site plan will be required encompassing the facilities required for operation and interim reclamation measures.

b. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.

c. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.

d. The plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit.

e. At the end of drilling operations, drilling fluids will be hauled to an approve disposal site. All polluting substances or contaminated materials, such as oil, oil-saturated soil, and gravel, will be buried within a minimum of 2 feet of clean soil as cover or be removed from the Forest.

f. Once the reserve pit is dry, the reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.

g. The cut and fill slopes and all other disturbed areas not needed for the production operation will be topsoiled and re-vegetated. The berm will be removed and the site graded to drain.

h. The site will be seeded and/or planted as prescribed by the surface owner. This prescription will be determined prior to site construction on a site specific basis. Nutrients and soil amendments will be applied to the redistributed surface soil later as necessary to meet the re-vegetation requirements. Fall seeding will be completed after September, and prior to prolonged ground frost.

i. Annual or noxious weeds shall be controlled on all disturbed areas. Method of control shall be by approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide. All herbicide application will be in cooperation with Forest Service personnel.

11. Surface Ownership

Access Roads – All roads to the location are located within the area of ownership of Clear Creek Home Association, and Oman Ranches.

Well Pad – The well pad is located on lands owned by the Oman Ranches LLC C/O Mr. Darin Caine.

12. Other Information

a. A Class III cultural resource inventory will be completed prior to disturbance by a qualified professional archaeologist.

b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator to:

   i. whether the materials appear eligible for the National Register of Historic Places;

   ii. the mitigation measures the operator will likely have to undertake before the site can be used (assuming the site preservation is not necessary); and

   iii. a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

c. Less than 10,000 pounds of any chemical(s) from the EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) 0f 1986, as defined in 40 CFR, would be used, produces, transported, stored, disposed, or associated with the proposed action.

d. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

e. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.

f. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.h.

g. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

h. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period.

i. The operator or his contractor shall contact the U.S. Forest Service at 801-637-2817 48 hours prior to construction activities.

13. Lessee's or Operator's Representative and Certification

Permit Matters
Marion Energy Inc./Mid-Power Resource Corp.
Keri Clarke
119 S. Tennessee Suite 200
McKinney, TX, 75069
(972)540-2967

Drilling & Completion Matters
Marion Energy Inc./Mid-Power Resource Corp.
2901 East 20th Street
Farmington, NM, 87402
Doug Endsley – V P Operations
(505)564-8005

Certification

I hereby certify that I, or Persons under my direct supervision, have inspected the proposed drill site and access rout; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Marion Energy Inc. and it's contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

10/01/07

Date

Name

Marion Energy, Inc.

OMAN #10-29
SECTION 29-T13S-R7E
CARBON COUNTY, UTAH

PRELIMINARY PLAN

Weatherford

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
FERRON	4100.00	1634.21	-1187.33	0.00	0.00	00°00'00.000S	000°00'00.000W	Point

SECTION DETAILS

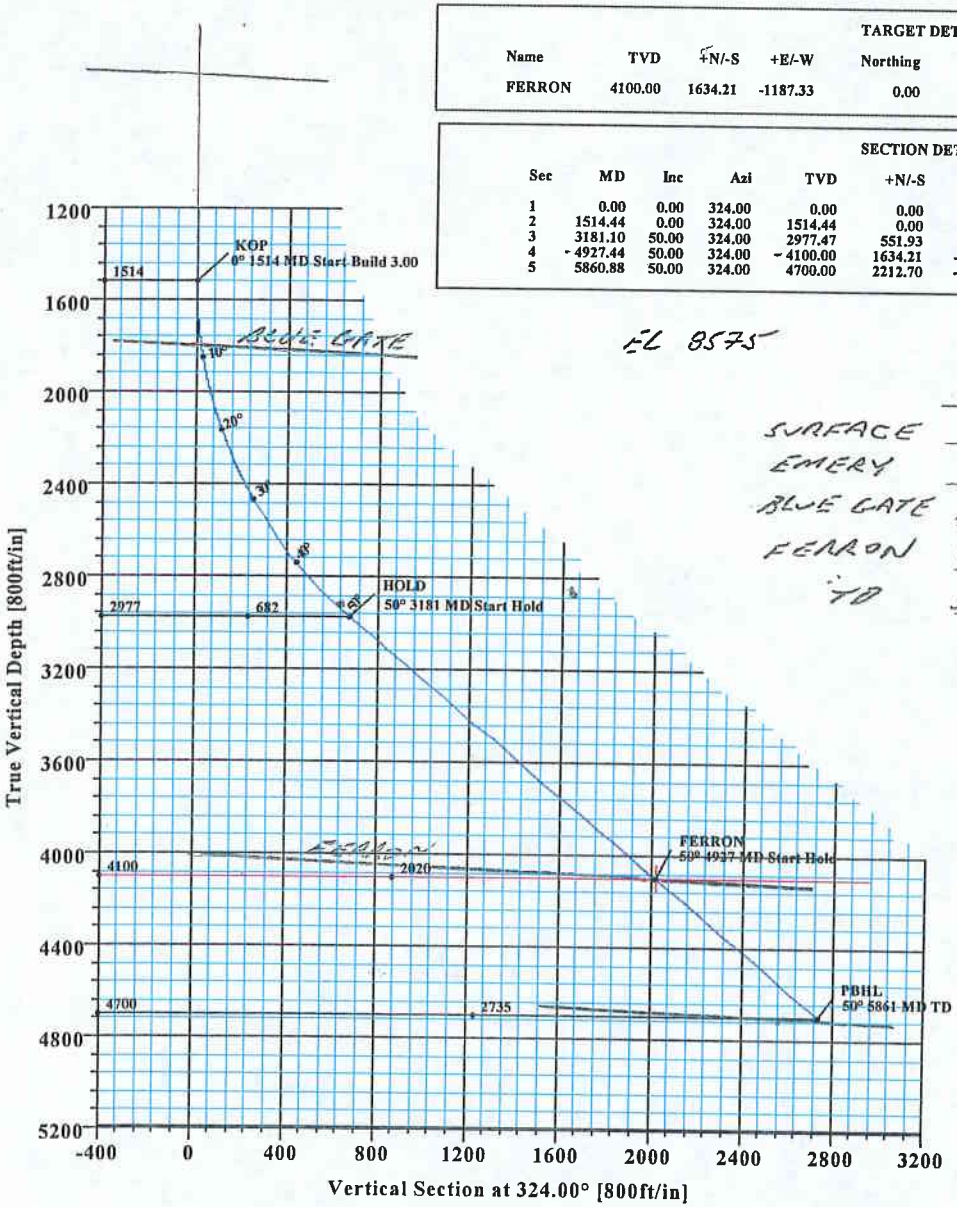
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	324.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	1514.44	0.00	324.00	1514.44	0.00	0.00	0.00	0.00	0.00	
3	3181.10	50.00	324.00	2977.47	551.93	-401.00	3.00	324.00	682.23	
4	4927.44	50.00	324.00	4100.00	1634.21	-1187.33	0.00	0.00	2020.00	FERRON
5	5860.88	50.00	324.00	4700.00	2212.70	-1607.62	0.00	0.00	2735.05	

FIELD DETAILS

Carbon County UTM 27
UTAH

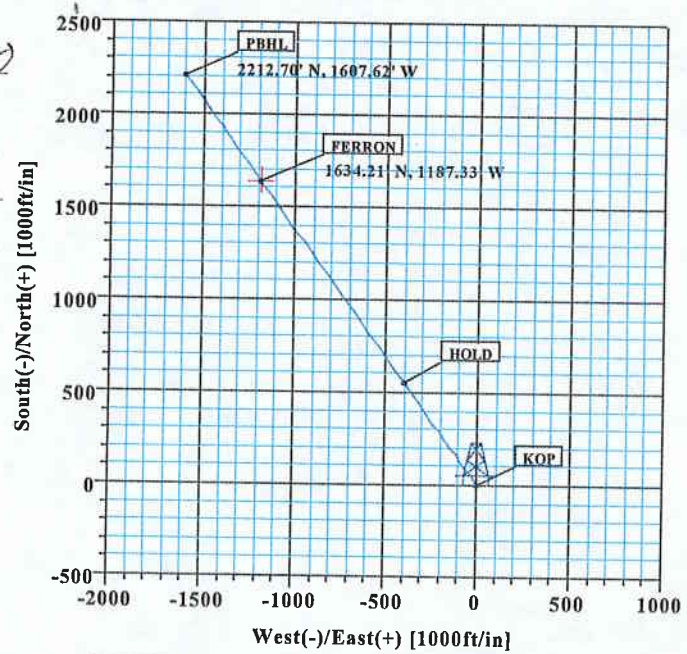
Geodetic System: Universal Transverse Mercator
Ellipsoid: NAD27 (Clarke 1866)
Zone: UTM Zone 12, North 114W to 108W
Magnetic Model: igrf2005

System Datum: Mean Sea Level
Local North: Grid North



EL 8575

	MD / TVD
SURFACE	(STAR POINT)
EMERY	610 / 610
BLUE GATE	1803 / 1800
FERRON	4927 / 4100
TD	5860 / 4700



Plan: Plan #3 (OMAN #10-29/1)

Created By: L WINCHELL Date: 9/15/2006

Checked: _____ Date: _____

Reviewed: _____ Date: _____

Approved: _____ Date: _____

ONSHORE OIL & GAS ORDER NO. 1
Drilling Plan
Oman #10-29

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Estimated Tops/Geologic Markers

   The estimated tops of important geologic markers are as follows:

Name	TVD	MD	Production Phase
Top of Blue Gate	1800ft	1803ft	Gas
Top of Ferron	4100ft	4927ft	Gas
TD	4700ft	5860ft	

2. Estimated Depth of Oil, Gas Water and Other Mineral Bearing Zones

   The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Gas	Ferron	4100'

   All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

   All water shows and water-bearing sand will be reported to the BLM in Moab, Utah. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. BOP Equipment

   Marion Energy Inc's minimum specifications for pressure to control equipment are as follows:

   Ram Type: 11" Hydraulic double, 3000 psi w.p.

   Ram type preventers and associated equipment shall be tested to approve stack working pressure if isolated by test plug or to 70 percent of internal yield pressure

of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline is pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 60 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

a. when initially installed;
b. whenever any seal subject to test pressure is broken
c. following related repairs; and
d. at 40-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable ads designed. Chart recorders shall be used for all pressure tests.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface

casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The Price River Resource Area Office shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 3000 psi working pressure blowout preventor.

b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.

c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.

d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. Casing and Cementing Program

a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fractured gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported

b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).

c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)

d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.

e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.

g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.

h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.

j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

k. All casing strings below the conductor shall be pressured tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

m. On all exploratory wells, and on that portion of any well approved for 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

n. The proposed casing program will be as follows:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Type	New or Used
Surface	0-500'	14 1/4"	10 3/4"	40.50#	J-55	ST&C	New
Intermed.	0-1850'	9 7/8"	7-5/8"	26.4#	J-55	LT&C	New
Produc.	0-5860'	6 3/4"	5-1/2"	17#	J-55	LT&C	New

o. Casing design subject to revision based on geologic conditions encountered.

p. Please refer to DOGM Form 3 for the Cement program associated with this well.

q. The price River Resource Area Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

r. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

s. The following reports shall be filed with the District Manager within 30 days after the work is completed.

1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:

a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.

b. Temperature of bond logs must be submitted for each well where the casing cement was not circulated to the surface.

t. Auxiliary equipment to be used is as follows:

1. Kelly cock

2. No bit float is deemed necessary.

3. A sub with a full opening valve.

5. Mud Program

a. The purpose circulating mediums to be employed in drilling are as follows:

Interval	Mud Type	Mud Wt.	Visc.	F/L	PH
0-TD	Air/Foam	N/A	N/A	N/A	--

* See Amended mud Program Sent 5/9/07 DKD

There will be sufficient mud on location to control a blowout should one occur.

MEMORANDUM OF SURFACE USE AGREEMENT

KNOW All MEN BY THESE PRESENTS:

That Darin Caine (Caine) signing individually and on behalf of Milton A. Oman LTD., and its General Partner, Oman Ranches, LLC, whose address is 1504 Zenith Ave. Salt Lake City, UT 84106, ("Grantor") and Mid-Power Resource Corporation, represented by its authorized agent Marion Energy Inc. (Mid-Power), whose address is 119 South Tennessee, Suite 200, McKinney, Texas, 75069("Grantee") have entered into a Surface Use and Damage Agreement dated effective as of March 1, 2006 ("Agreement").

The Agreement, which is unrecorded and may be found in the files of the Grantor and Grantee, is adopted herein and made a part hereof by reference to the same full extent as if all its provisions were copied in full in this Memorandum.

Pursuant to the terms of the Agreement, Grantor grants to Grantee and all of its parent, subsidiary, or other affiliated companies, their agents, employees and others authorized by them the right-of-way to use the Property described in Exhibit A and shown in Exhibit A1, attached hereto and made a part of this Memorandum ("Property"), for the purpose of access to and from mineral leases it owns and operates underlying and in the vicinity of the Property ("Leases"), for well locations, pipelines, power lines and other facilities related to its conduct of operations pursuant to the Leases.

This Memorandum shall be binding on and inure to the benefit of Grantor and Grantee, their respective heirs, administrators, successors and assigns.

The parties hereto have executed this Memorandum as of the dates of the respective acknowledgements.

GRANTOR:

Darin Caine,
Signing Individually and on behalf
of Milton A. Oman LTD., and its
General Partner Oman Ranches, LLC
1504 Zenith Ave
Salt Lake City, UT 84106

GRANTEE:

Marion Energy Inc.,
Authorized Agent For
Mid-Power Resource Corporation
119 S. Tennessee, Suite 200
McKinney, Texas, 75069

EXHIBIT A

ATTACHED TO AND MADE A PART OF THAT CERTAIN MEMORANDUM OF SURFACE USE AGREEMENT DATED AS OF MARCH 1, 2006 BY AND BETWEEN MILTON A. OMAN, LTD., AS GRANTOR AND MID-POWER., AS GRANTEE.

Five two-acre drill/pad sites to be constructed for the purpose of drilling five wells on Grantor's property with surface locations located as described below and further illustrated in exhibit A1:

Oman 14-20 Section 20 T13S-R7E	2330'FWL, 1980'FNL / NW/4
Oman 10-29 Section 29 T13S-R7E	796'FWL, 2565'FNL/ NW/4
Oman 7-19 Section 19 T13S-R7E	70'FWL, 1452' FNL/ SW/4
Oman 3-32 Section 32 T13S-R7E	1400'FWL, 825'FNL/ NW/4
Oman 2-6 Section 31 T13S-R7E	645' FWL, 1452'FNL/ SW/4

Exhibit A-1

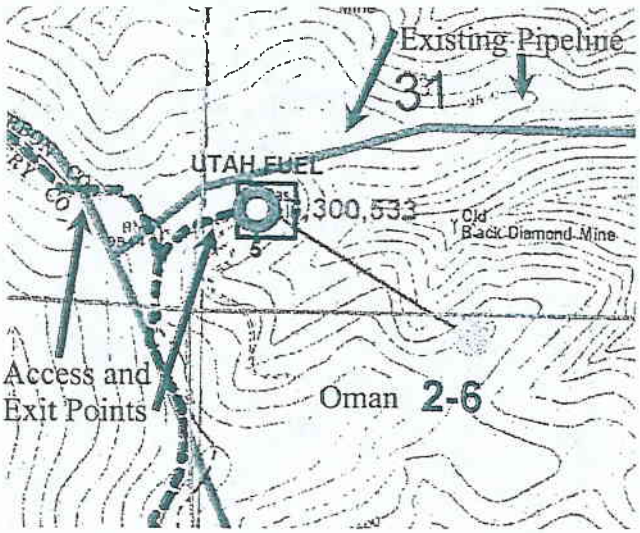


EXHIBIT A-2

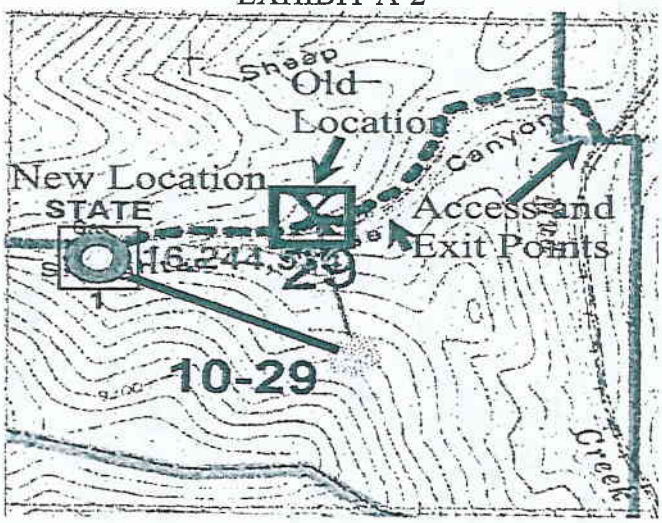


EXHIBIT A-3

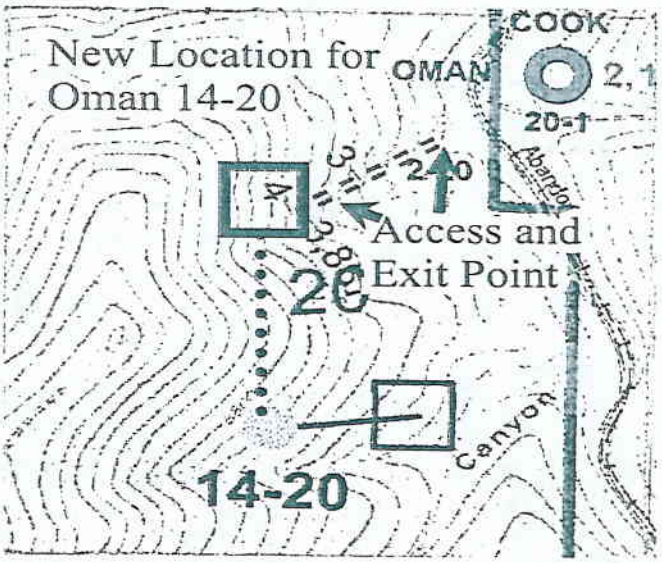


EXHIBIT A-4

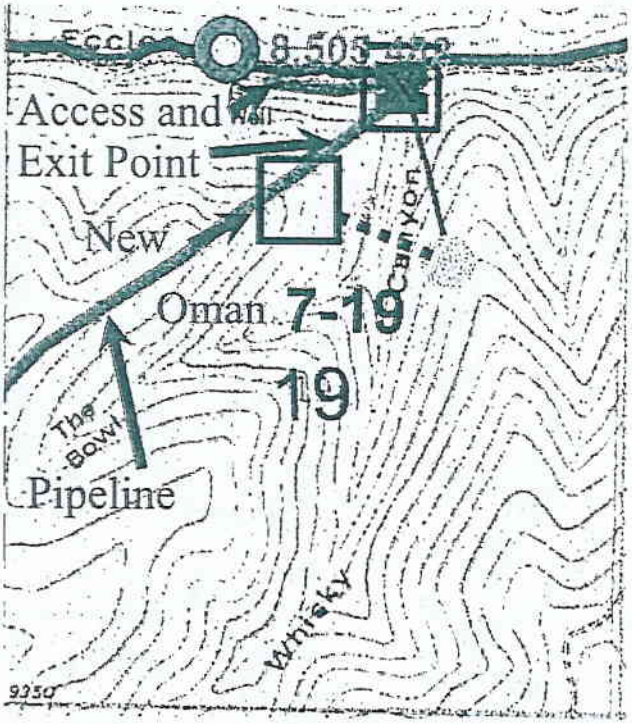
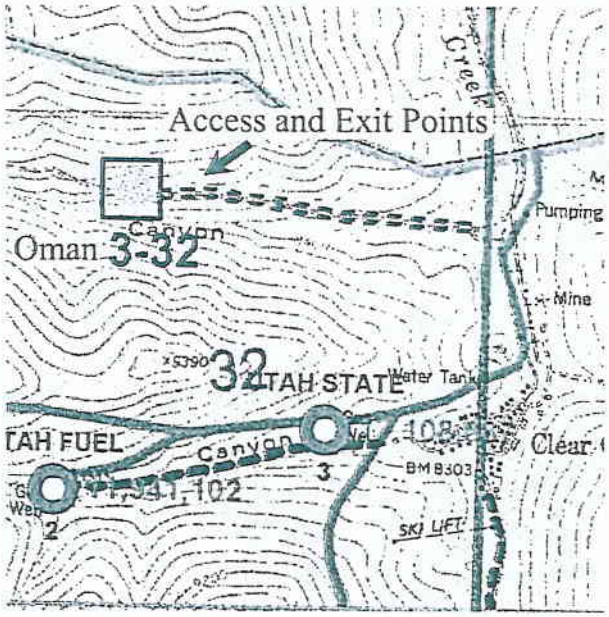


EXHIBIT A-5


Access and Exit Points
Canyon
Oman 3-32
Pumping
Mine
32
UTAH STATE
Water Tank
UTAH FUEL
Canyon
Clear
BM 8303
SKI LIFT

Bond No. B001617

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 4A

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) Marion Energy Inc. as Principal, and

(surety name) U.S. Specialty Insurance Company as Surety, duly authorized and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

One Hundred Fifty Thousand and no/100 dollars ($ $150,000.00) lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening, repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

✓ Blanket Bond: To cover all wells drilled in the State of Utah

____ Individual Bond: Well No: _____

Section: _____ Township: _____ Range: _____

County: _____, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal to be affixed this

31 day of March, 20 05.

(Corporate or Notary Seal here)

MARY LOU HOLDER
MY COMMISSION EXPIRES
August 28, 2005

Attestee: Mary Lou Holder Date: 4/5/05

By

Marion Energy Inc.
Principal (company name)

KERI CLARKE VICE PRESIDENT LAND
Name (print) Title

Signature

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal to be affixed this

31 day of March, 20 05.

(Corporate or Notary Seal here)

Attestee: Drew Bartz Date: 3/31/05

By

U.S. Specialty Insurance Company
Surety Company (Attach Power of Attorney)

Edwin H. Frank, III Attorney-in-Fact
Name (print) Title

Signature

13403 Northwest Freeway
Surety Mailing Address

Houston Texas 77040
City State Zip

(5/2002)

Bond No. **B001617**

Important Notice Regarding Terrorism Risk Insurance Act of 2002

In accordance with the Terrorism Risk Insurance Act of 2002 (the "Act"), this disclosure notice is provided for surety bonds on which U.S. Specialty Insurance Company is the issuing surety.

The premium attributable to any bond coverage for "acts of terrorism" as defined in Section 102(1) of the Act is Zero Dollars ($0.00).

The United States will reimburse the Issuing Sureties for ninety percent (90%) of any covered losses from terrorist acts certified under the Act exceeding the applicable surety deductible.

The actual coverage provided by your bond for acts of terrorism, as is true for all coverages, is limited by the terms, conditions, exclusions, penalties, limits, other provisions of your bond and the underlying contract, any endorsements to the bond and generally applicable rules of law. This Important Notice Regarding Terrorism Insurance Risk Act of 2002 is for informational purposes only and does not create coverage nor become a part or condition of the attached document.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY, IF WRITTEN, FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM, WILL BE EXCLUDED IF THE U.S. GOVERNMENT FAILS TO ENACT AN EXTENSION TO TRIA OR ENACTS CHANGES TO TRIA THAT SUBSTANTIALLY CHANGE THE RISK OF LOSS THAT AN INSURER OR POLICYHOLDER HAS ASSUMED.

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POWER OF ATTORNEY

PA001617

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, **U. S. SPECIALTY INSURANCE COMPANY** (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver **any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars ($3,000,000)** and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the Executive Vice President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, **U. S. SPECIALTY INSURANCE COMPANY** has caused these presents to be signed by its **Executive Vice President,** and its corporate seal to be hereto affixed this 15th day of March, 2005.

Corporate Seal

U. S. SPECIALTY INSURANCE COMPANY

By _____

Edward H. Ellis, Jr., Executive Vice President

State of Texas

County of Harris ss:

On this 15th day of March, 2005 before me personally came Edward H. Ellis, Jr., to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is Executive Vice President of U. S. SPECIALTY INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.

Notary Seal SHERRI GIBSON MY COMMISSION EXPIRES October 17, 2005

_____, **Notary Public**

My commission expires 10-17-05

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 31st day of March, 2005.

Corporate Seal

_____

Christopher L. Martin, Secretary

POWER OF ATTORNEY

PA001617

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, **U. S. SPECIALTY INSURANCE COMPANY** (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver **any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars ($3,000,000)** and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the Executive Vice President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, **U. S. SPECIALTY INSURANCE COMPANY** has caused these presents to be signed by its **Executive Vice President,** and its corporate seal to be hereto affixed this 15th day of March, 2005.

Corporate Seal

U. S. SPECIALTY INSURANCE COMPANY
By _____

Edward H. Ellis, Jr., Executive Vice President

State of Texas

County of Harris ss:

On this 15th day of March, 2005 before me personally came Edward H. Ellis, Jr., to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is Executive Vice President of U. S. SPECIALTY INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.

Notary Seal

SHERRI GIBSON
MY COMMISSION EXPIRES
October 17, 2005

_____, **Notary Public**
My commission expires 10-17-05

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 31st day of March, 2005.

Corporate Seal

_____
Christopher L. Martin, Secretary

Bond No. B002776

PERFORMANCE BOND

(See instructions on reverse)

DATE BOND EXECUTED *(Must be same or later than date of contract)*: 04/12/06

OMB No.: 9000-0045

PRINCIPAL *(Legal name and business address)*

Marion Energy Inc.
119 South Tennessee, Suite 200
McKinney, Texas 75069

TYPE OF ORGANIZATION *("X" one)*

☐ INDIVIDUAL ☐ PARTNERSHIP ☐ JOINT VENTURE ☒ CORPORATION

STATE OF INCORPORATION

SURETY(IES) *(Name(s) and business address(es))*

U.S. Specialty Insurance Company
13403 Northwest Freeway
Houston, Texas 77040

PENAL SUM OF BOND

MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS
$	103	000	00

CONTRACT DATE	CONTRACT NO.
09/06/02	0410-03-13

OBLIGATION:

We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:

The Principal has entered into the contract identified above.

THEREFORE:

The above obligation is void if the Principal -

(a)(1) Performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extensions thereof that are granted by the Government, with or without notice to the Surety(ies), and during the life of any guaranty required under the contract, and (2) performs and fulfills all the undertakings, covenants, terms conditions, and agreements of any and all duly authorized modifications of the contract that hereafter are made. Notice of those modifications to the Surety(ies) are waived.

(b) Pays to the Government the full amount of the taxes imposed by the Government, if the said contract is subject to the Miller Act, (40 U.S.C. 270a-270e), which are collected, deducted, or withheld from wages paid by the Principal in carrying out the construction contract with respect to which this bond is furnished.

WITNESS:

The Principal and Surety(ies) executed this performance bond and affixed their seals on the above date.

PRINCIPAL

	1.	2.	3.
SIGNATURE(S)	(Seal)	(Seal)	(Seal)
NAME(S) & TITLE(S) *(Typed)*	KERI CLARKE VICE PRESIDENT - LAND		

SCOTT S. JACOBY
Notary Public, State of Texas
My Commission Expires
September 12, 2009

Corporate Seal

INDIVIDUAL SURETY(IES)

	1.	2.
SIGNATURE(S)	(Seal)	(Seal)
NAME(S) *(Typed)*		

CORPORATE SURETY(IES)

SURETY A	NAME & ADDRESS	U.S. Specialty Insurance Company 13403 Northwest Freeway Houston, Texas 77040	STATE OF INC.: Texas	LIABILITY LIMIT: $ 103,000.00
	SIGNATURE(S)	1.	2.	
	NAME(S) & TITLE(S) *(Typed)*	1. W. Russell Brown, Jr., Attorney-in-Fact	2.	

Corporate Seal

AUTHORIZED FOR LOCAL REPRODUCTION
Previous edition not usable

STANDARD FORM 25 (REV. 5-86)
Prescribed by GSA-FAR (48 CFR) 53.228(b)

PA002776

POWER OF ATTORNEY

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, **U. S. SPECIALTY INSURANCE COMPANY** (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver **any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars ($3,000,000)** and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as (Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

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Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, **U. S. SPECIALTY INSURANCE COMPANY** has caused these presents to be signed by its **President**, and its corporate seal to be hereto affixed this 19th day of January, 2006.

Corporate Seal

U. S. SPECIALTY INSURANCE COMPANY
By

Michael J. Schell, President

State of Texas
County of Harris : ss:

On this 19th day of January, 2006 before me personally came Michael J. Schell, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of U. S. SPECIALTY INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.

Notary Seal

Sherri Gibson
Notary Public, State of Texas
My Commission Expires:
November 10, 2009

Notary Public

My commission expires 11-10-09

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 12th day of April, 2006.

Corporate Seal

Christopher L. Martin, Secretary

PA002776

Bond No. **B002776**

SURETY RIDER

To be attached to and form a part of Bond No. **B002776** on behalf of **Marion Energy Inc.** as principal and executed by **U.S. Specialty Insurance Company**, as surety.

Effective date of bond: 04/12/2006
Effective date of change: 05/31/2006

In consideration of the mutual agreement herein contained, the principal and the surety hereby consent to the following changes:

The **penalty amount** has increased from:

$108,000.00

TO:

$128,000.00

Nothing herein contained shall vary, alter, or extend any provision or condition of this bond except as herein expressly stated.

SIGNED, SEALED AND DATED THIS: May 31, 2006

Marion Energy Inc.	U.S. Specialty Insurance Company
Name of Principal	Name of Surety
Signature	Signature
KERI CLARKE VICE PRESIDENT - LAND	W. Russell Brown, Jr. Attorney-in-Fact
Name and title of person executing for Principal	Name and title of person executing for Surety

PA002776

POWER OF ATTORNEY

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, **U. S. SPECIALTY INSURANCE COMPANY** (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does these presents make, constitute and appoint

Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars ($3,000,000) and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

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Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, **U. S. SPECIALTY INSURANCE COMPANY** has caused these presents to be signed by its **President**, and its corporate seal to be hereto affixed this 19th day of January, 2006.

Corporate Seal

U. S. SPECIALTY INSURANCE COMPANY
By

Michael J. Schell, President

State of Texas
County of Harris ss:

On this 19th day of January, 2006 before me personally came Michael J. Schell, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of U. S. SPECIALTY INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.

Sheri Gibson
Notary Public, State of Texas
My Commission Expires:
November 10, 2009

Notary Seal

Notary Public

My commission expires 11-10-09

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 31st day of May, 2006.

Corporate Seal

Christopher L. Martin, Secretary

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
www.ut.blm.gov

MAY 04 2005

IN REPLY REFER TO:
3104
(UT-924)

DECISION

Principal:	:	
Marion Energy Inc.	:	Bond Amount: $25,000
119 S. Tennessee, Suite 200	:	
McKinney, TX 75069	:	Bond Type: Statewide
	:	
Surety:	:	Bond Surety No.: B001632
U. S. Specialty Insurance Company	:	
13403 Northwest Freeway	:	BLM Bond No.: UTB000179
Houston, TX 77040	:	

Statewide Oil and Gas Surety Bond Accepted

On April 12, 2005, this office received a $25,000 statewide oil and gas bond for the principal named above. The bond has been examined, found satisfactory, and is accepted effective the date of filing.

The bond constitutes coverage of all operations conducted by the principal on Federal leases in Utah. The bond provides coverage for the principal where that principal has interest, and or responsibility for operations on, leases issued under the authority of any of the Acts cited on the bond form. Please note that Federal leases do not include Indian leases.

Sheri Gibson
Notary Public, State of Texas
My Commission Expires
November 10, 2005

The bond will be maintained by this office. Termination of liability under the bond will be permitted only after this office is satisfied that there are no outstanding liabilities against the bond or until a satisfactory replacement bond is furnished.

Terry Catlin
Acting Chief, Branch of
Fluid Minerals

Form 3000-4
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Bond Number
B001632

OIL AND GAS OR GEOTHERMAL LEASE BOND

Act of February 25, 1920 (30 U S.C 181 et seq.)
Act of August 7, 1947 (30 U.S.C. 351-359)
Department of the Interior Appropriations Act, FY 1981 (42 U.S.C. 6508)
Act of December 24, 1970 (30 U.S.C. 1001-1025)
Other Oil and Gas and Geothermal Leasing Authorities as Applicable

Lease Serial Number (For Individual Bond Only)

CHECK ONE: ☒ OIL AND GAS ☐ GEOTHERMAL RESOURCES

CHECK ONE:

☒ SURETY BOND

KNOW ALL BY THESE PRESENTS, THAT Marion Energy Inc. (name)

of 119 S. Tennessee, Suite 200, McKinney, Texas 75069 (address)

as principal, and U.S. Specialty Insurance Company (name)

of 13403 Northwest Freeway, Houston, Texas 77040 (address), as surety,

are held and firmly bound unto the United States of America in the sum of Twenty-five Thousand and no/100 dollars ($ 25,000.00), lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

☐ PERSONAL BOND

KNOW ALL BY THESE PRESENTS, That (name)

of (address), as principal, is held and firmly bound unto the United States of America in the sum of dollars ($). lawful money of the United States which sum may be increased or decreased by a rider hereto executed in the same manner as this bond.

The principal, in order to more fully secure the United States in the payment of the aforesaid sum, hereby pledges as security therefore United States negotiable securities of a par value equal to the amount specified. The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney The interest accruing on the United States securities deposited, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond and the instrument(s) granting rights and interests in Federal lands, must be paid to the principal. The principal hereby for himself/herself, any heirs, executors, administrators, successors, and assigns, joint and severally, ratifies and confirms whatever the Secretary shall do by virtue of these presents.

The principal/surety shall apply this bond or the Secretary shall transfer this deposit as security for the faithful performance of any and all of the conditions and stipulations as set forth in this bond and the instruments granting rights and interests in Federal lands In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that: (1) for a Surety Bond, the surety/principal shall apply the bond or any portion thereof, (2) for a Personal Bond, the Secretary shall have full power to assign, appropriate, apply or transfer the deposit or any portion thereof, to the satisfaction of any damages, assessments, late payment charges, penalties, or deficiencies arising by reason of such default.

This bond is required for the use and benefit of (1) the United States, (2) the owner of any of the land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the oil and gas and geothermal deposits to the United States; (3) any lessee, permittee, or contractor, under a lease, permit, or resource sale contract issued, or to be issued by the United States covering the same land subject to this bond, covering the use of the surface or the prospecting for, or the development of other mineral deposits in any portion of such land, to be paid to the United States. For such payment, well and truly to be made, we bind ourselves and each of our heirs, executors, administrators, successors, and assigns, jointly and severally.

This bond shall cover all surface disturbing activities related to drilling operations on a Federal leasehold(s) in accordance with authorization(s) granted under the Acts cited above for:

CHECK ONE:

☐ NATIONWIDE BOND — Operations conducted by or on behalf of the principal(s) or on the leasehold(s) of the principal(s) in the United States including the National Petroleum Reserve in Alaska (NPR-A) when a rider sufficient to bring the amount in conformance with 43 CFR 3134 is provided, and provided a rider is obtained, also coverage of multiple exploration operations

☒ STATEWIDE BOND — Operations conducted by or on behalf of the principal(s) or on the leasehold(s) of the principal(s), except the NPR-A, and, provided a rider is obtained, also coverage of multiple exploration operations within the single state of Utah

☐ INDIVIDUAL BOND — Operations conducted by or on behalf of the principal or on the leasehold of the principal on the single lease identified by the serial number above.

☐ NATIONAL PETROLEUM RESERVE IN ALASKA (NPR-A) BOND — This bond shall cover

☐ NPR-A LEASE BOND — The terms and conditions of a single lease

☐ NPR-A WIDE BOND — The terms and conditions of all leases, and provided a rider is obtained, coverage of multiple exploration operations

(Continued on reverse)

BOND CONDITIONS

The conditions of the foregoing obligations are such that

1. WHEREAS the principal has an interest in a lease(s) and/or responsibility for operations on a lease(s) issued under the Acts cited in this bond, and

2 WHEREAS the principal and surety agree(s) that with notice to the surety the coverage of this bond, in addition to the present holding(s) of and/or authorization(s) granted to the principal, shall extend to and include

a Any lease(s) hereafter issued to or acquired by the obligor/principal, except under individual lease bonds, the coverage is to be confined to the principal's holding(s) and/or authorization(s) granted under the Acts cited in this bond, and to become effective immediately upon such authorization, approval or issuance of a transfer in favor of the principal; and

b Any transfer(s) of operating rights hereafter entered into or acquired by the principal affecting lease(s), and

c Any activity subsequent hereto of the principal as operator under a lease(s) issued pursuant to the Acts cited in this bond, and

Provided, That the surety may elect to terminate the additional coverage authorized under this paragraph. Such termination will become effective 30 days after the BLM receives notice of the election to terminate. After the termination becomes effective, the additional interest(s) identified in this paragraph will not be covered by this bond, and

3 WHEREAS the principal and surety agree(s) that with notice to the surety that this bond shall remain in full force and effect notwithstanding. Any assignment(s) of an undivided interest in any part or all of the lands in the lease(s) in which event the assignee(s) shall be considered to be coprincipal(s) on an individual or NPR-A bond as fully and to the same extent as though his/her or their duly, authenticated signatures appeared thereon, and

4. WHEREAS the obligor/surety hereby waives any right to notice of, and agrees that this bond shall remain in full force and effect notwithstanding.

a Any assignment(s) of 100% of some of the lands described in the lease(s), the bond to remain in full force and effect only as to the lands retained in the lease(s), and

b Any transfer(s) either in whole or in part, of any or all of the operating rights and further agrees to remain bound under this bond as to the interests in the operating rights retained by the principal, and

c Any modification of a lease or operating right, or obligation thereunder, whether made or effected by commitment of lease or operating right to unit, cooperative, communitization or storage agreements, or development contracts, suspensions of operations or production, waivers, suspensions or changes in rental, minimum royalty and royalties, compensatory royalty payments, or otherwise, and

d. Any extension of a lease(s) covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the lease(s); and

5 WHEREAS the principal and surety hereby agree(s) that notwithstanding the termination, expiration, cancellation or relinquishment of any lease(s), whether by operation of law or otherwise, the bond shall remain in full force and effect as to the terms and conditions of all remaining leases and obligations covered by the bond, and

6 WHEREAS the principal, as to any lease or part of a lease for land on which he/she is the operator, in consideration of being permitted to furnish this bond in lieu of the lessee(s) or operating rights owner(s), agrees and by these presents does hereby bind himself/herself to fulfill on behalf of each lessee or operating rights owner all obligations of such for the entire leasehold in the same manner and to the same extent as though he/she were lessee or operating rights owner, and

7. WHEREAS the obligor/principal and surety agree(s) that the neglect or forbearance of said lessor in enforcing, as against any responsible party, the payment of rentals or royalties or the performance of any other term or condition of the lease(s) shall not, in any way, release the principal and surety, or either of them from any liability under this bond; and

8. WHEREAS the principal and surety agree(s) that in the event of any default under the lease(s) the lessor may commence and prosecute any claim, suit, or other proceeding against the principal and surety or either of them, without the necessity of joining the lessee(s), and

9 WHEREAS if the principal fails to comply with any provisions of an oil and gas lease, and the noncompliance continues for thirty (30) days after written notice thereof, such lease shall be subject to cancellation and the principal shall also be subject to applicable provisions and penalties of the Federal Oil and Gas Royalty Management Act (30 U.S.C. 1701 et seq.) or the Federal Onshore Oil and Gas Leasing Reform Act. This provision shall not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default.

10 NOW, THEREFORE If said principal, his/her heirs, executors, administrators, successors, or assigns shall in all respects faithfully comply with all of the provisions of the instrument(s) granting rights and interests in Federal lands referred to above, then the obligations are to be void, otherwise to remain in full force and effect.

Signed this 7th day of April 2005 in the presence of

NAMES AND ADDRESSES OF WITNESSES

B J Eu (MARION ENERGY)

R C Eckel (Marion Energy)

Molly Battenfield

Diane E. Carey:

Marion Energy Inc. (L.S.)

(Principal)

119 S. Tennessee, Suite 200, McKinney, Texas 75069

(Business Address)

W. Russell Brown, Jr., Attorney-in-Fact (Surety) U.S. Specialty Insurance Company (L.S.)

13403 Northwest Freeway, Houston, Texas 77040

(Business Address)

If this bond is executed by a corporation, it must bear the seal of that corporation

U.S. GOVERNMENT PRINTING OFFICE 1990 - 773-016

Bond No. **B001632**

Important Notice Regarding Terrorism Risk Insurance Act of 2002

In accordance with the Terrorism Risk Insurance Act of 2002 (the "Act"), this disclosure notice is provided for surety bonds on which U.S. Specialty Insurance Company is the issuing surety.

The premium attributable to any bond coverage for "acts of terrorism" as defined in Section 102(1) of the Act is Zero Dollars ($0.00).

The United States will reimburse the Issuing Sureties for ninety percent (90%) of any covered losses from terrorist acts certified under the Act exceeding the applicable surety deductible.

The actual coverage provided by your bond for acts of terrorism, as is true for all coverages, is limited by the terms, conditions, exclusions, penalties, limits, other provisions of your bond and the underlying contract, any endorsements to the bond and generally applicable rules of law. This Important Notice Regarding Terrorism Insurance Risk Act of 2002 is for informational purposes only and does not create coverage nor become a part or condition of the attached document.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY, IF WRITTEN, FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM, WILL BE EXCLUDED IF THE U.S. GOVERNMENT FAILS TO ENACT AN EXTENSION TO TRIA OR ENACTS CHANGES TO TRIA THAT SUBSTANTIALLY CHANGE THE RISK OF LOSS THAT AN INSURER OR POLICYHOLDER HAS ASSUMED.

The rest of this page is intentionally left blank.

POWER OF ATTORNEY

PA001632

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, **U. S. SPECIALTY INSURANCE COMPANY** (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver **any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars ($3,000,000)** and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the Executive Vice President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, **U. S. SPECIALTY INSURANCE COMPANY** has caused these presents to be signed by its **Executive Vice President,** and its corporate seal to be hereto affixed this 15th day of March, 2005.

Corporate Seal

U. S. SPECIALTY INSURANCE COMPANY

By _____

Edward H. Ellis, Jr., Executive Vice President

State of Texas

County of Harris ss:

On this 15th day of March, 2005 before me personally came Edward H. Ellis, Jr., to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is Executive Vice President of U. S. SPECIALTY INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.

Notary Seal

SHERRI GIBSON
MY COMMISSION EXPIRES
October 17, 2005

_____, **Notary Public**

My commission expires 10-17-05

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 7th day of April, 20 05.

Corporate Seal

_____

Christopher L. Martin, Secretary

Bond No. **B001632**

SURETY RIDER

To be attached to and form a part of Bond No. B001632 on behalf of **Marion Energy Inc.** as principal and executed by **U.S. Specialty Insurance Company**, as surety.

Effective date of bond: April 7, 2005
Effective date of change: July 24, 2006

In consideration of the mutual agreement herein contained, the principal and the surety hereby consent to the following changes:

The **Amount of the bond** changed from:
Twenty-five Thousand and no/100 ($25,000.00)
TO:
One Hundred Thirty-five Thousand and no/100 ($135,000.00)

This rider is being submitted to comply with 43 CFR 3101.1 which states ".... Prior to commencement of surface disturbing activities related to drilling operations, the lessee, operating rights owner, or operator shall submit a personal bond, conditioned upon compliance with all of the terms and conditions of the leasehold covered by the bond."

This rider extends coverage for the sole purpose of the performance of surface reclamation requirements required by the United States Forest Service specific to the following:

$100,000 Reclamation
Two well pads located in the Clear Creek Unit
T.14S., R7E
1. Well #11-20, Ridge Runner. NE/4 SW/4 Section 20 14S-7E
2. Well # 13-17, Ridge Runner. SW/4 SW/4 Section 17 14S-7E

$10,000 Reclamation
T.14S, R7E.
Reclamation of a pipeline associated with this project. Pipeline connects well pads Ridgerunner #11-20 and #13-17 to Questar Gathering line 506-11.

Coverage of lease operations shall continue whether or not the lease subsequently expires, terminated or is cancelled provided, however; that this rider shall not act to increase the actual cumulative or potential liability of the face amount of the bond.

Nothing herein contained shall vary, alter, or extend any provision or condition of this bond except as herein expressly stated.

SIGNED, SEALED AND DATED THIS: 24th day of July, 2006

MARION ENERGY	U.S. Specialty Insurance Company
Name of Principal	Name of Surety
[signature]	[signature]
Signature	Signature
JEFFREY CLARKE / CEO	W. Russell Brown, Jr. Attorney-in-Fact
Name and title of person executing for Principal	Name and title of person executing for Surety

POWER OF ATTORNEY

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, **U. S. SPECIALTY INSURANCE COMPANY** (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver **any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars ($3,000,000)** and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, **U. S. SPECIALTY INSURANCE COMPANY** has caused these presents to be signed by its **President**, and its corporate seal to be hereto affixed this 23rd day of June, 2006.

Corporate Seal

U. S. SPECIALTY INSURANCE COMPANY
By

State of Texas
County of Harris ss:

Michael J. Schell, President

On this 23rd day of June, 2006 before me personally came Michael J. Schell, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of U. S. SPECIALTY INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.

Sherri Gibson
Notary Public, State of Texas
My Commission Expires:
November 10, 2009

Notarial Seal

, Notary Public

My commission expires 11-10-09

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 24th day of July, 2006.

Corporate Seal

Christopher L. Martin, Secretary

BOND NUMBER B002777

Corporate Surety Bond

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Marion Energy Inc. of 119 South Tennessee, Suite 200, McKinney, Texas 75069 as principal and U.S. Specialty Insurance Company as surety are held and firmly bound unto the State of Utah in the sum of Fifteen Thousand and no/100 Dollars($15,000.00) lawful money of the United States to be paid to the School & Institutional Trust Lands Administration, as agent for the State of Utah, for the use and benefit of the State of Utah, and of any patentee or purchaser of any portion of the land covered by the hereinafter described lease heretofore sold or which may hereafter be sold with a reservation to the State of Utah, on the surface or of other mineral deposits of any pordon of such lands, for which payment, well and truly to he made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, successors, sublessees, and assignees, jointly and severally by these presents.

Signed with our hands and sealed this 12th day of April, 2006.

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) _____ lease, Lease Number _____ and dated _____, to _____ as lessee (and said lease has been duly assigned under date of _____ to U. S. SPECIALTY INSURANCE COMPANY) to drill for, mine, extract, and remove all of the deposits _____ in and under the following described lands, to wit:

NOW, THEREFORE, the principal and surety shall be obligated to pay all monies, rentals, royalties, cost of reclamation , damages to the surface and improvements thereon and any other damages, costs, expensed, penalties, interest or liabilities which arise by operation of or in connection with the above described lease(s) accruing to the Lessor and shall fully comply with all other terms and conditions of said lease, the rules, regulations and polices relating thereto of the School & Institutional Trust Lands Administration, the Board of Oil, Gas and Mining, and the Division of Oil, Gas and Mining as they may now exist or may from time to time be modified or amended. This obligation is in effect even if the principal has conveyed part of its interest to a successor in interest. If the principal fully satisfies the above described obligations, then the surety's obligation to make payment to the State of Utah is void and of no effect, otherwise, it shall remain in full force and effect until released by the School & Institutional Trust Lands Administration.

Witness

Marion Energy Inc.
Principal (SEAL)

Notary Public, State of Texas
Commission Expires:
November 10, 2009

BONDING COMPANY

Witness Molly Reagan

By: U.S. Specialty Insurance Company

Attest: W. Russell Brown, Jr., Attorney-in-Fact

Resident Agent: Edwin H. Frank III, 207768

Bonding Address: 13403 Northwest Freeway

Houston, Texas 77040

PA002777

POWER OF ATTORNEY

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, **U. S. SPECIALTY INSURANCE COMPANY** (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver **any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars ($3,000,000)** and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted by unanimous written consent in lieu of meeting on July 7, 2003.)

In Witness Whereof, **U. S. SPECIALTY INSURANCE COMPANY** has caused these presents to be signed by its **President**, and its corporate seal to be hereto affixed this 19th day of January, 2006.

Corporate Seal

U. S. SPECIALTY INSURANCE COMPANY
By

Michael J. Schell, President

State of Texas
County of Harris ss:

On this 19th day of January, 2006 before me personally came Michael J. Schell, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of U. S. SPECIALTY INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.

Sherri Gibson
Notary Public, State of Texas
My Commission Expires:
November 10, 2009

Notary Seal

Notary Public

My commission expires 11-10-09

I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 12th day of April, 2006.

Corporate Seal

Christopher L. Martin, Secretary

PA00277

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 4A

Bond No. B002775

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) Marion Energy Inc. as Principal,

and

(surety name) U.S. Specialty Insurance Company as Surety, duly authorized and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

One Hundred Eighty-four Thousand One Hundred Eighty and no/100 dollars ($ 184,180.00) duly lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as Agent of the State of Utah, for the use and benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening, repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

✓ Blanket Bond: To cover all wells drilled in the State of Utah

Individual Bond: Well No: _____

Section: _____ Township: _____ Range: _____

County: _____, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal to be affixed this

_____ day of _____, 20____.

(Corporate or Notary Seal here)

Attestee: _____ Date: _____

Marion Energy Inc.
Principal (company name)

By KERI CLARKE VICE PRESIDENT LAND
Name (print) Title

Signature

Notary Public Sheri Gibson
State of Texas
November 10, 2009

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal to be affixed this

12 day of April, 20 06.

U.S. Specialty Insurance Company
Surety Company (Attach Power of Attorney)

(Corporate or Notary Seal here)

Attestee: Mary Reagan Date: 4/12/06

By W. Russell Brown, Jr. Attorney-in-Fact
Name (print) Title

Signature

13403 Northwest Freeway
Surety Mailing Address

Houston Texas 77040
City State Zip

(5/2002)

Exhibit "A"
Bond Coverage (Surety Bond # B002775)
MArion Energy Inc., Operator

API Well Number	Well Name	Well Status	Field Name	County	Section	Location	Qtr/Qtr	Last produced	Years Shut-in
43-007-16009-00-00	Utah Fuel #1	Shut-in	Clear Creek	Carbon	5	14S-7E	SESW	Dec-69	36 years
43-007-16010-00-00	Utah Fuel #2	Shut-in	Clear Creek	Carbon	32	13S-7E	SWSW	Nov-64	40 years
43-007-16011-00-00	Utah Fuel #3	Shut-in	Clear Creek	Carbon	32	13S-7E	NWSE	Dec-73	32 years
43-007-16012-00-00	Utah Fuel #4	Shut-in	Clear Creek	Carbon	30	13S-7E	SWSW	Dec-58	47 years
43-007-16016-00-00	Utah Fuel #10	Shut-in	Clear Creek	Carbon	5	14S-7E	NWNE	Jan-67	39 years
43-007-30102-00-00	Utah Mineral State	Shut-in	Clear Creek	Carbon	29	13S-7E	SWNW	Jul-72	33 years
43-007-30289-00-00	Oman #2-20	Shut-in	Clear Creek	Carbon	20	13S-7E	NWNE	Mar-96	10 years
43-007-16015-00-00	Utah Fuel #8	Producing	Clear Creek	Carbon	19	13S-7E	NENW	n/a	n/a
43-007-16013-00-00	Utah Fuel #5	PA	Clear Creek	Carbon	31	13S-7E	SWSW	n/a	n/a
43-015-16021-00-00	Utah Fuel #A-1	PA	Clear Creek	Emery	6	14S-7E	SWSW	n/a	n/a

Exhibit "A"
Bond Coverage (Surety Bond # B002775)
MArion Energy Inc., Operator

API Well Number	Well Name	Well Status	Field Name	County	Section	Location	Qtr/Qtr	Last produced	Years Shut-in

PA002775

POWER OF ATTORNEY

(To be used with bonds issued on behalf of U. S. SPECIALTY INSURANCE COMPANY)

Know All Men by These Presents That, **U. S. SPECIALTY INSURANCE COMPANY** (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Edwin H. Frank III, W. Russell Brown, Jr.

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver **any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed Three Million Dollars ($3,000,000)** and to bind the Company thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the U. S. Specialty Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

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In Witness Whereof, **U. S. SPECIALTY INSURANCE COMPANY** has caused these presents to be signed by its **President**, and its corporate seal to be hereto affixed this 19th day of January, 2006.

Corporate Seal

U. S. SPECIALTY INSURANCE COMPANY
By

State of Texas

County of Harris ss:

Michael J. Schell, President

On this 19th day of January, 2006 before me personally came Michael J. Schell, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of U. S. SPECIALTY INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.

Notary Seal

Sherri Gibson
Notary Public, State of Texas
My Commission Expires:
November 10, 2009

, Notary Public

My commission expires 11-10-09

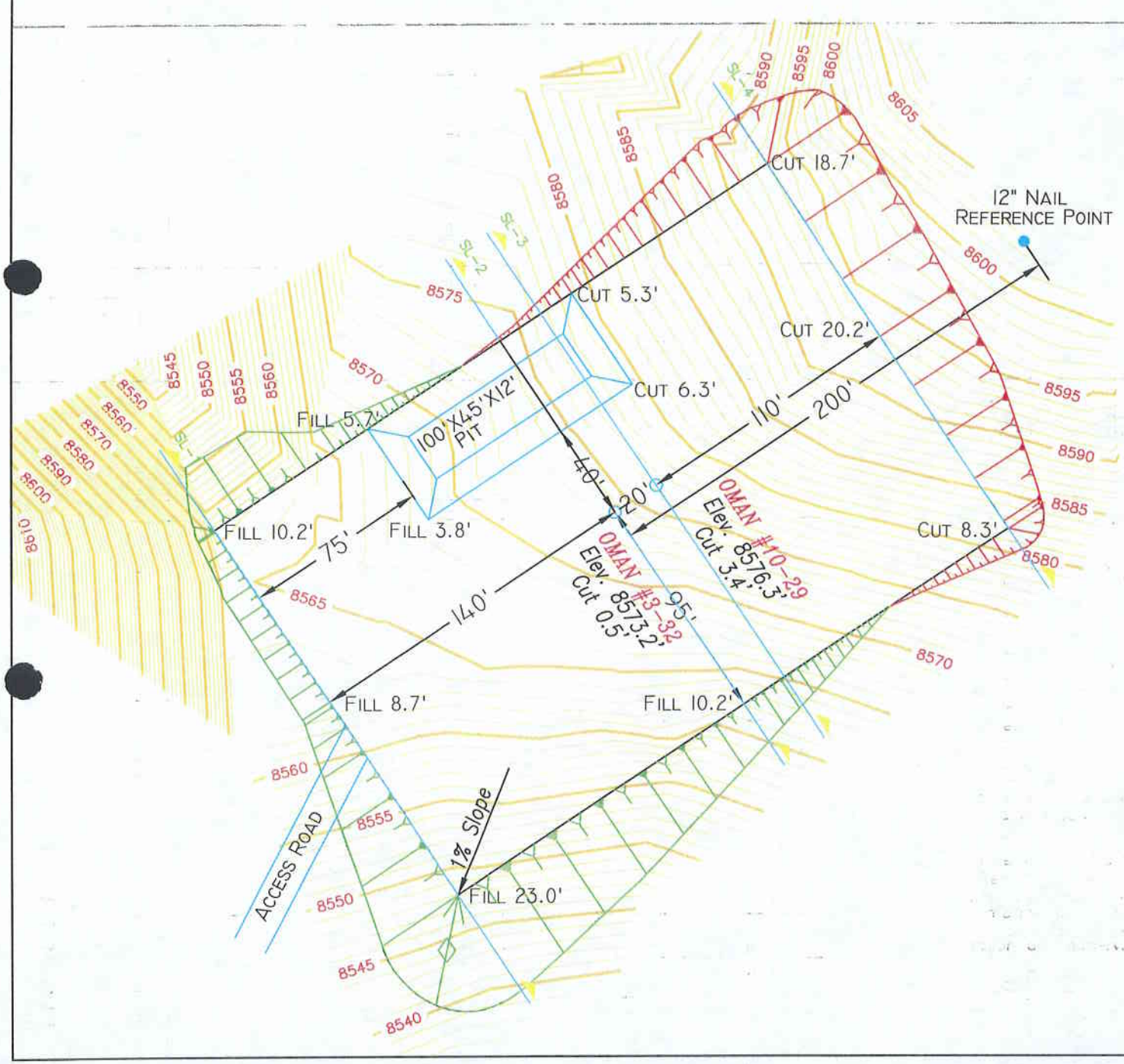
I, Christopher L. Martin, Secretary of U. S. SPECIALTY INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seal of said Company at Houston, Texas this 12th day of April, 2006.

Corporate Seal

Christopher L. Martin, Secretary

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 8576.3'
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 8572.9'



TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net

Marion Energy Inc.

LOCATION LAYOUT
Section 29, T13S, R7, S.L.B.&M.
WELL OMAN #10-29

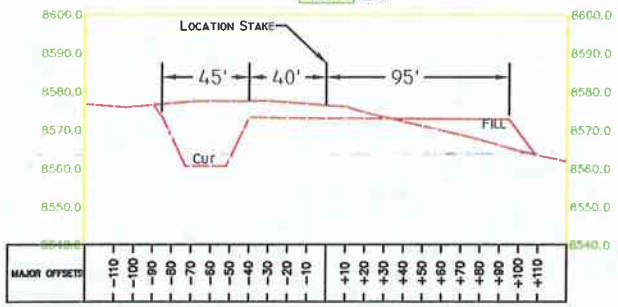
Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No.: A-2	Date: 8/29/06
	Scale: 1" = 60'
Sheet 2 of 4	Job No. 2568-A

APPROXIMATE YARDAGES

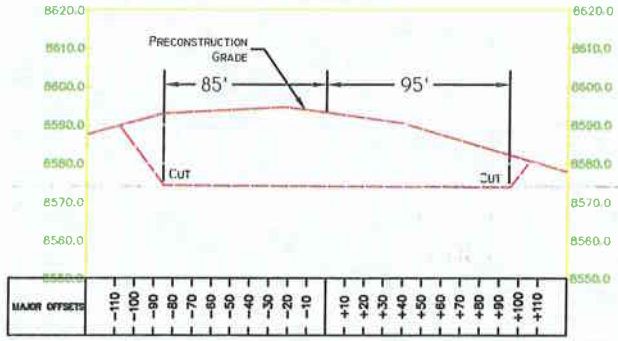
(6")TOPSOIL STRIPPING = 900 CU. YDS.
TOTAL CUT (INCLUDING PIT) = 10,710 CU. YDS.
TOTAL FILL = 10,560 CU. YDS.

1"=10' X-Section Scale
1"=20'

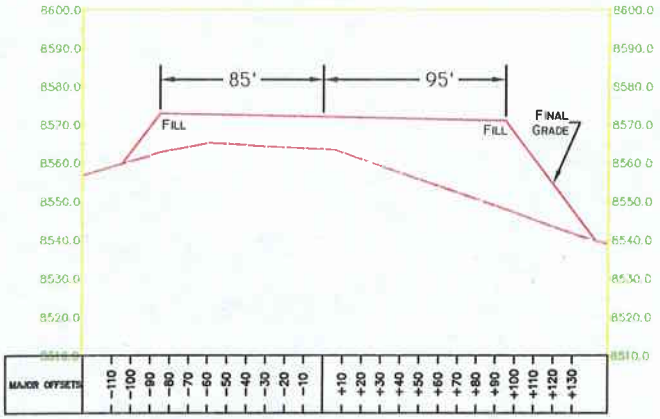
1+60.00 SL-3



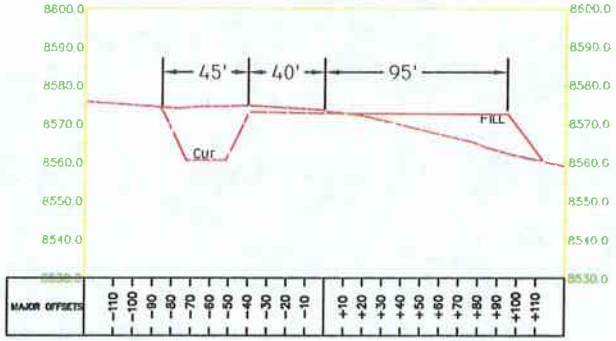
2+70.00 SL-4



0+00.00 SL-1



1+40.00 SL-2



SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 : 1

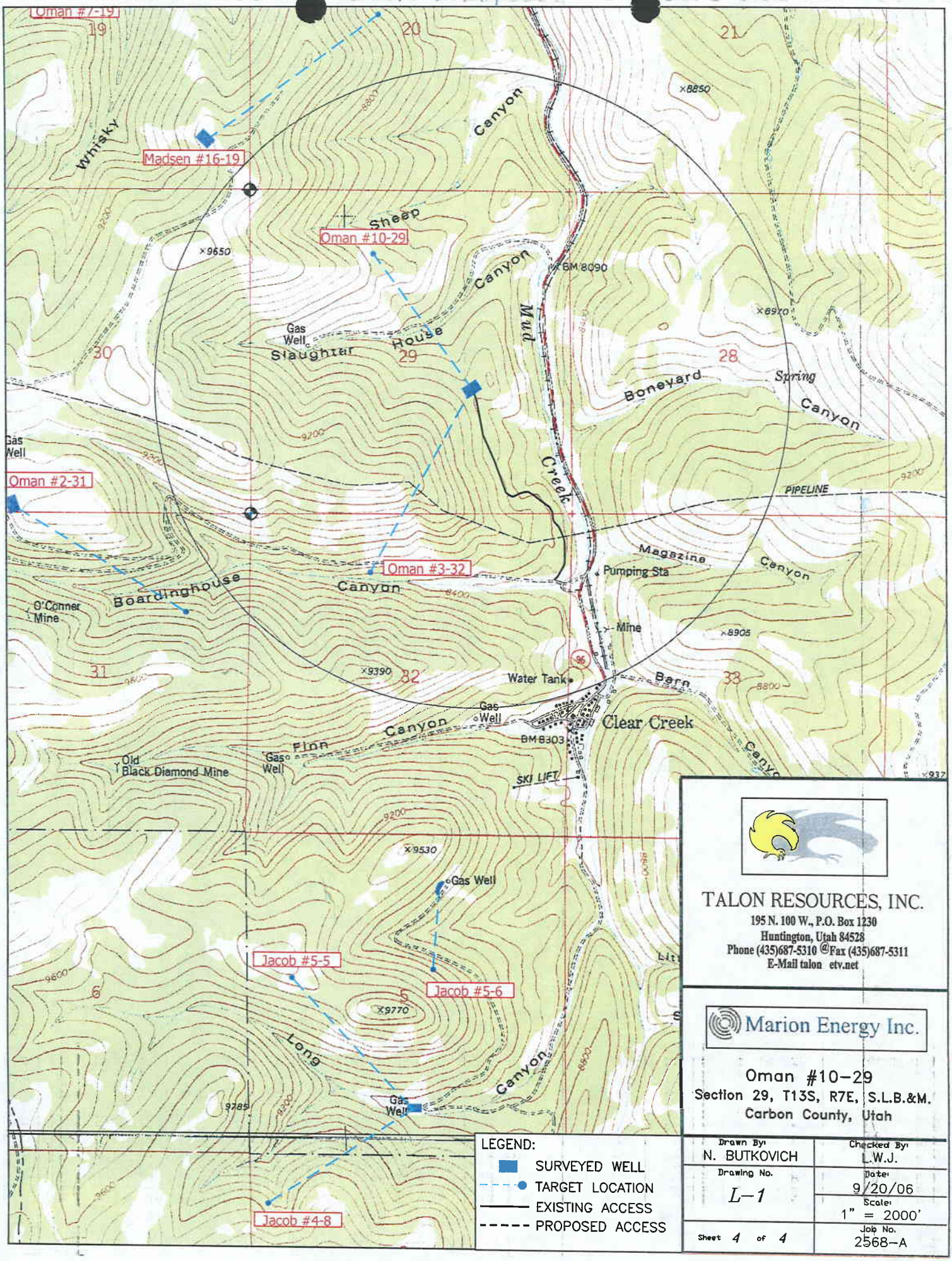
TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net

Marion Energy Inc.

TYPICAL CROSS SECTION
Section 29, T13S, R7, S.L.B.&M.
WELL OMAN #10-29

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 8/29/06
	Scale: 1" = 100'
Sheet 3 of 4	Job No. 2568-A

MAP A



LEGEND:
- SURVEYED WELL
- TARGET LOCATION
- EXISTING ACCESS
- PROPOSED ACCESS

TALON RESOURCES, INC.
195 N. 100 W., P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 @Fax (435)687-5311
E-Mail talon etv.net

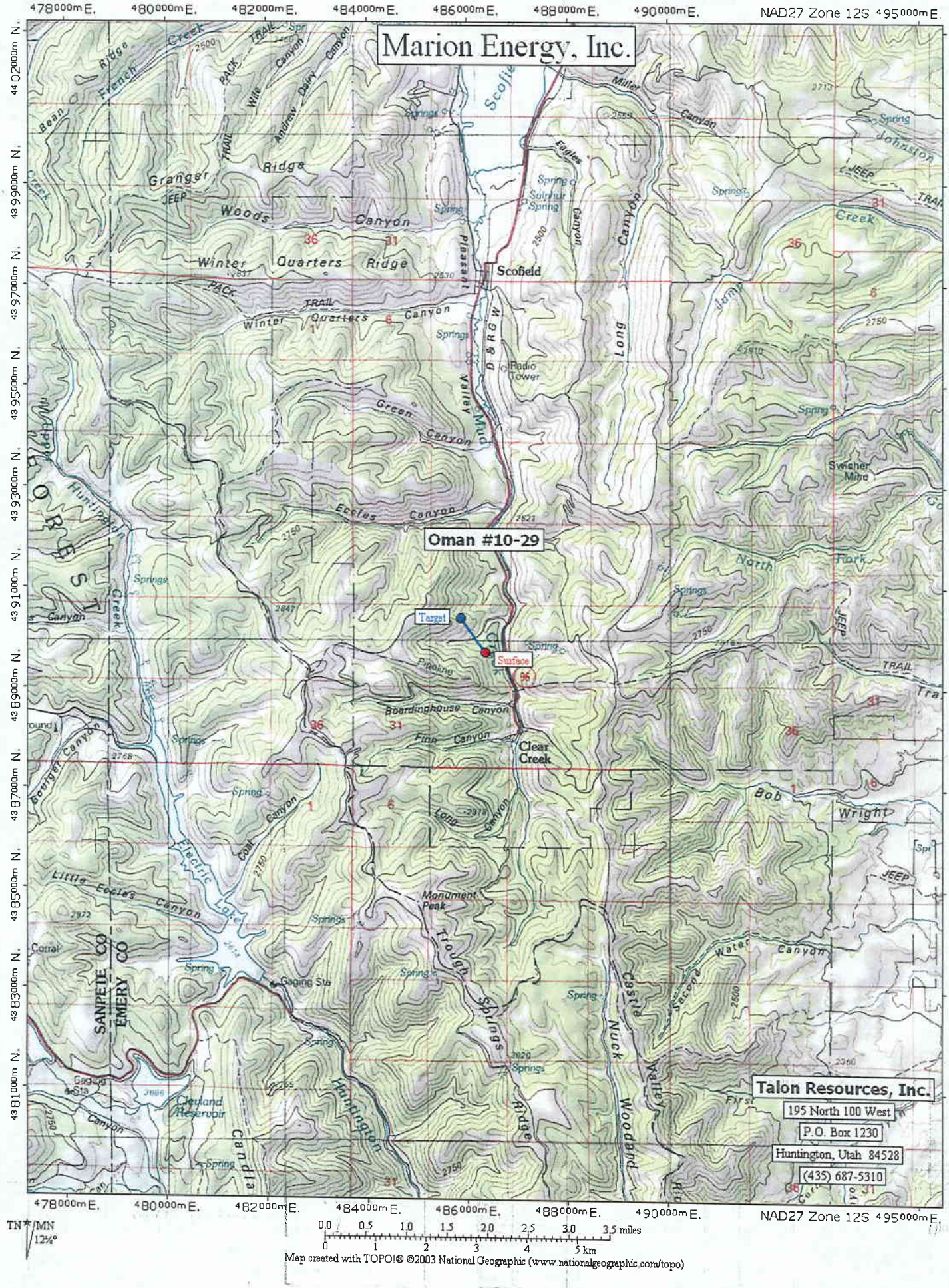
Marion Energy Inc.

Oman #10-29
Section 29, T13S, R7E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No.: L-1	Date: 9/20/06
	Scale: 1" = 2000'
Sheet 4 of 4	Job No.: 2568-A

MAP B

TOPO! map printed on 09/20/06 from "Marion-Oman-10-29.tpo"



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/16/2006

API NO. ASSIGNED: 43-007-31210

WELL NAME: OMAN 10-29

OPERATOR: MARION ENERGY INC (N2740)

PHONE NUMBER: 972-540-2967

CONTACT: KERI CLARKE

PROPOSED LOCATION:

NWSE 29 130S 070E

SURFACE: 2052 FSL 1581 FEL

BOTTOM: 1045 FNL 2032 FWL

COUNTY: CARBON

LATITUDE: 39.65900 LONGITUDE: -111.1589

UTM SURF EASTINGS: 486366 NORTHINGS: 4389713

FIELD NAME: CLEAR CREEK (10)

INSPECT LOCATN BY: / /		
Tech Review	**Initials**	**Date**
Engineering	DKD	5/9/07
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-1256

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. B001617)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. PRRV)

N RDCC Review (Y/N)
(Date:)

Y Fee Surf Agreement (Y/N)

N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: CLEAR CREEK

___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

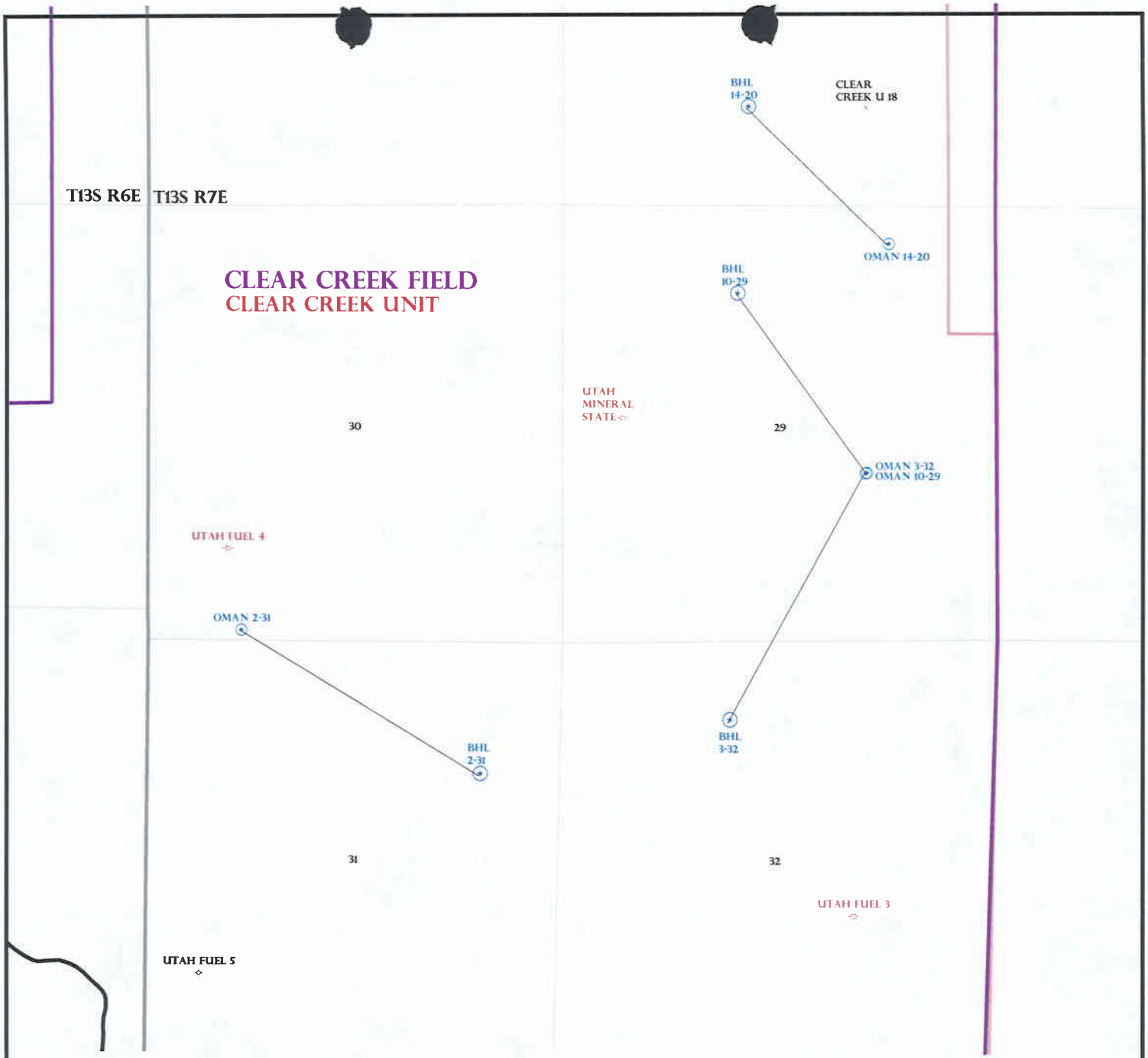
___ R649-3-3. Exception

___ Drilling Unit
Board Cause No:
Eff Date:
Siting:

✓ R649-3-11. Directional Drill

COMMENTS: Need Presite (11-09-06)

STIPULATIONS: 1- Spacing Stip
2- STATEMENT OF BASIS



OPERATOR: MARION ENERGY INC (N2740)

SEC: 29,30 T.13S R. 7E

FIELD: CLEAR CREEK (10)

COUNTY: CARBON

SPACING: R649-3-11 / DIRECTIONAL DRILLING

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 18-OCTOBER-2006

Application for Permit to Drill
Statement of Basis

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
34	43-007-31210-00-00		GW	P	No

Operator	MARION ENERGY, INC.	**Surface Owner-APD**	
Well Name	OMAN 10-29	**Unit**	CLEAR CREEK
Field	CLEAR CREEK	**Type of Work**	
Location	NWSE 29 13S 7E S 0 F L 0 F L	GPS Coord (UTM) 486366E	4389713N

Geologic Statement of Basis

A well drilled at this location will likely spud into a poorly to moderately permeable soil developed on the Cretaceous age Star Point Sandstone Member of the Mancos Shale. High quality ground water is likely to be encountered in the sandstone Members encountered in the upper Mancos Shale. Water quality will deteriorate in the deeper strata. The nearest mapping of the base of moderately saline ground water (~15 miles east northeast) implies that the base of moderately saline ground water is likely to be above sea level and within several thousand feet of the surface. No filings for subsurface water rights have been made within a mile of the location. The proposed casing and cementing program should be sufficient to protect the shallow ground water resource if the surface casing is extended below the Emery Sandstone Member of the Mancos Shale. The drilling fluid system presently calls for fresh water air/mist with sweeps of soap and polymer to 500' TD and fresh water air/mist/DAP system to 1,850' TD initially with an aerated DAP system if mud up becomes necessary. It is very likely that very permeable sandstones and large fresh water flows will be encountered from near the surface to significant depth as reported from nearby drilling. In any case, the mud system should be benign to protect the ground water resource.

Chris Kierst	5/23/2007
APD Evaluator	**Date / Time**

Surface Statement of Basis

Landowner (Darin Cain - Oman Ranches) was invited to the pre-site evaluation but chose not to attend. SITLA and Carbon County chose not to attend as well. The location is located in steep mountainous terrain and is in a water recharge area for municiple springs and streams that feed Scofield Reservoir, a municiple water source. The location is located away from live water sources. The pit is located entirely within cut material. It is recommended that the pit be underlayed with felt, and lined with a 12 mil minimum synthetic pit liner.

Mark Jones	11/9/2006
Onsite Evaluator	**Date / Time**

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator MARION ENERGY, INC.
Well Name OMAN 10-29
API Number 43-007-31210-0 **APD No** 34 **Field/Unit** CLEAR CREEK
Location: 1/4,1/4 NWSE **Sec** 29 **Tw** 13S **Rng** 7E 0 F L 0 F L
GPS Coord (UTM) 486382 4389696 **Surface Owner**

Participants

M. Jones (DOGM), Scott Jacoby and Eric Norton (Marion). Darin Cain (surface owner), SITLA, and Carbon County were invited but chose not to attend.

Regional/Local Setting & Topography

North of Clear Creek Town ~2 miles, to the west of Mud Creek between Boardinghouse Cyn and Slaughterhouse Cyn.. Topography is steep mountainous slopes, immidiate drainage to the east to Mud Creek, then north to Scofield reservoir.

Surface Use Plan

Current Surface Use

Grazing
Recreational
Wildlfe Habitat

New Road Miles	Well Pad		Src Const Material	Surface Formation
0.5	**Width** 180	**Length** 340	Onsite	

Ancillary Facilities N

Pipeline will be needed out of the well to the east for gas production and water disposal. Water disposal site still undecided location.

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

aspen / pine forest. Grass, shrub, and sage understory.

Soil Type and Characteristics

clay loam

Erosion Issues Y

steep mountainous slopes.

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required Y

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? N **Paleo Potental Observed?** N **Cultural Survey Run?** N **Cultural Resources?** N

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	<25 or recharge area	20
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	High permeability	20
Fluid Type	TDS>5000 and <10000	10
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	>20	10
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
	Final Score	60 1 **Sensitivity Level**

Characteristics / Requirements

dugout earthen (100x45x12). W/ liner and felt underlayment.

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 12 **Pit Underlayment Required?** Y

Other Observations / Comments

Landowner (Darin Cain - Oman Ranches) was invited to the pre-site evaluation but chose not to attend. He did mention to the division in a phone call that he was ok with it where it was staked. The surface use agreement was still in negotiation at time of inspection. There may be reason due to annual snowfall in the area of the proposed location to require that the reserve pit be closed immediately upon completion of drilling (if the pit is near full upon leaving for the winter, snowmelt could overfill the pit allowing the reserve pit contents to leave the pit)??

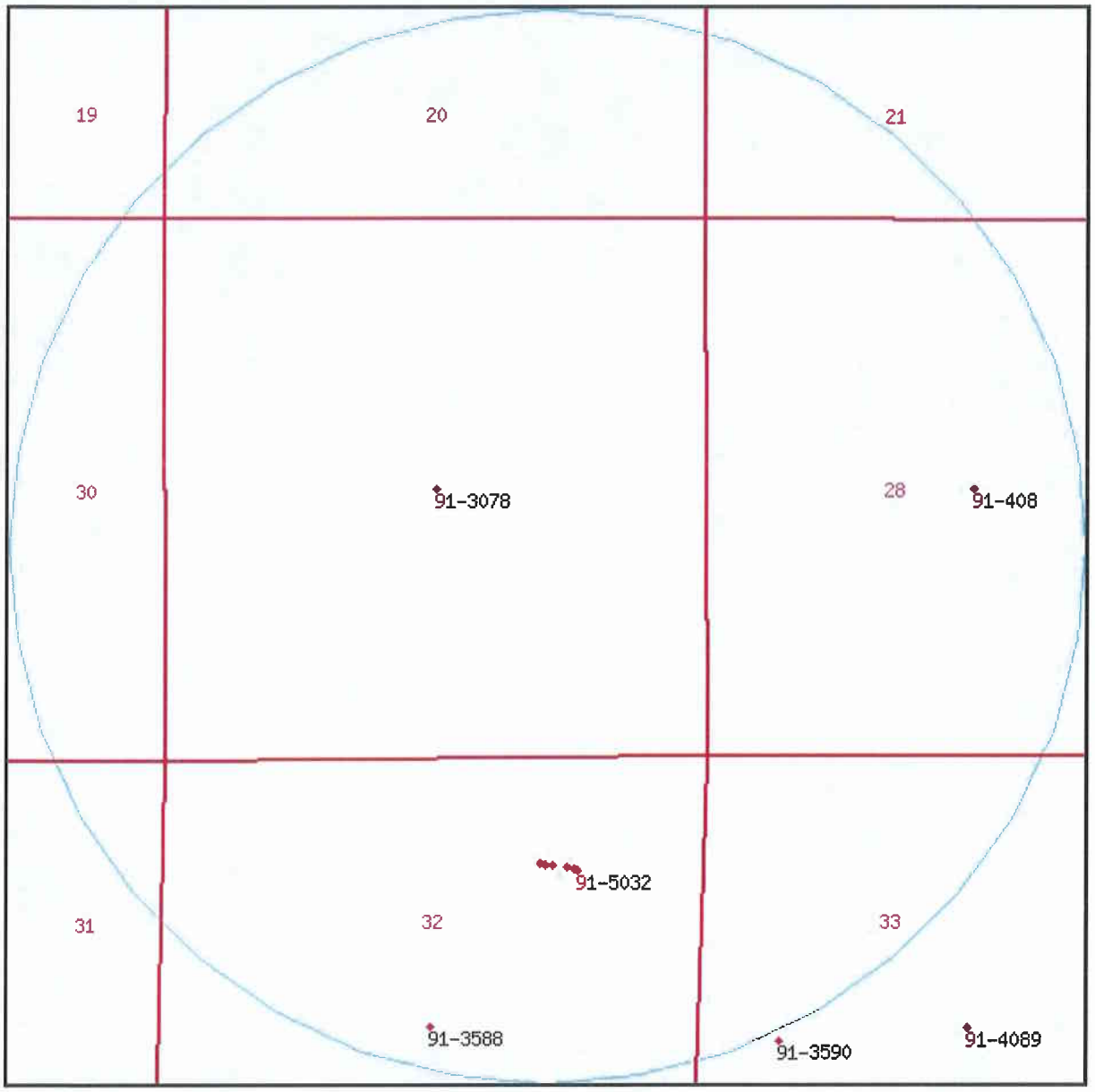
Mark Jones	11/9/2006
Evaluator	**Date / Time**

Utah Division of Water Rights

WRPLAT Program Output Listing

Version: 2006.11.17.00 Rundate: 11/29/2006 05:23 PM

Radius search of 5280 feet from a point N2052.0 W1581.18 from the SE corner, section 29, Township 13S, Range 7E, SL b&m
Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all



Water Rights

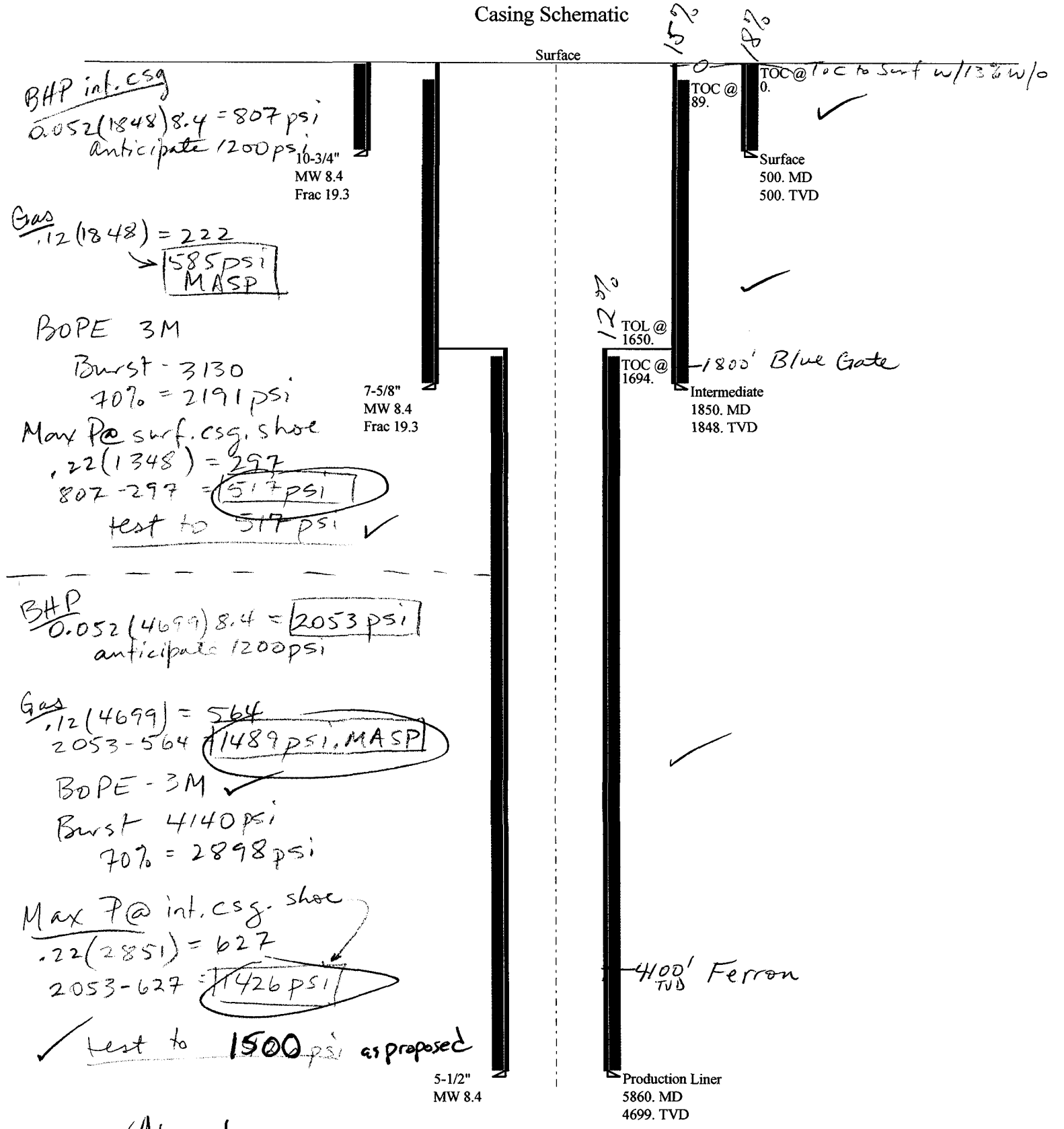
WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
91-106	Point to Point S163 W300 NE 28 13S 7E SL		P	19290920	DS	0.009	0.000	J. MARK JACOB 914 EAST 300 NORTH
91-1678	Point to Point N660 W660 E4 28 13S 7E SL		P	18600000	S	0.000	0.000	J. MARK JACOB 914 EAST 300 NORTH
91-3053	Point to Point N660 E660 SW 28 13S 7E SL		P	18690000	S	0.000	0.000	MILTON A. OMAN 717 CONTINENTAL BANK BUILDING
91-3078	Point to Point S660 E660 N4 29 13S 7E SL		P	18690000	S	0.011	0.000	MILTON A. OMAN 717 CONTINENTAL BANK BUILDING
91-3084	Point to Point S660 E1980 W4 32 13S 7E SL		P	18690000	S	0.000	0.000	MILTON A. OMAN 717 CONTINENTAL BANK BUILDING
91-3089	Point to Point N660 E660 S4 33 13S 7E SL		P	19020000	S	0.000	0.000	ANTON MICHELOG PRICE UT 84501
91-3090	Point to Point S660 W1980 E4 33 13S 7E SL		P	19020000	S	0.000	0.000	ANTON MICHELOG PRICE UT 84501
91-3588	Point to Point S660 W1980 E4 32 13S 7E SL		P	18690000	S	0.000	0.000	CLEAR CREEK HOME ASSOCIATION P.O. BOX 263
91-408	Point to Point N660 E660 SW 28 13S 7E SL		P	18600000	S	0.011	0.000	J. MARK JACOB 914 EAST 300 NORTH
91-4089	Point to Point S660 W660 NE 33 13S 7E SL		P	1869	S	0.000	0.000	JAMES C. JACOB 914 EAST 300 NORTH
91-3586	Surface		P	18820000	O	0.428	309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY

	S1070 W1660 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
91-3586	Surface	P	18820000 O	0.428 309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY
	S1080 W1590 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
91-3586	Surface	P	18820000 O	0.428 309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY
	S1085 W1530 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
91-3586	Surface	P	18820000 O	0.428 309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY
	S1100 W1390 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
91-3586	Surface	P	18820000 O	0.428 309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY
	S1110 W1325 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
91-3586	Surface	P	18820000 O	0.428 309.869	WHITE OAK MINING AND CONSTRUCTION COMPANY
	S1140 W1280 NE 32 13S 7E SL				A NEVADA CORP. ITS SUCCESSORS AND OR ASSIGNS
91-3590	Underground	P	18820000 O	0.446 0.000	WHITE OAK MINING AND CONSTRUCTION COMPANY INC.
	S2800 E700 NW 33 13S 7E SL				50 WEST LIBERTY STREET SUITE 880
91-5032	Surface	P	18820000 DIS	0.072 52.120	JOHN DEHAAS TRUSTEE
	S1070 W1660 NE 32 13S 7E SL				OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995
91-5032	Surface	P	18820000 DIS	0.072 52.120	JOHN DEHAAS TRUSTEE
	S1080 W1590 NE 32 13S 7E SL				OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995
91-5032	Surface	P	18820000 DIS	0.072 52.120	JOHN DEHAAS TRUSTEE
	S1085 W1530 NE 32 13S 7E SL				OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995
91-5032	Surface	P	18820000 DIS	0.072 52.120	JOHN DEHAAS TRUSTEE

	S1100 W1390 NE 32 13S 7E SL					OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995
91-5032	Surface	P	18820000	DIS	0.072 52.120	JOHN DEHAAS TRUSTEE
	S1110 W1325 NE 32 13S 7E SL					OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995
91-5032	Surface	P	18820000	DIS	0.072 52.120	JOHN DEHAAS TRUSTEE
	S1140 W1280 NE 32 13S 7E SL					OF THE JOHN G. DEHAAS TRUST DATED FEB. 15, 1995

2006-12 Marion Oman 10-29

Casing Schematic



Adequate DKD 5/9/07

Well name:	**2006-12 Marion Oman 10-29**
Operator:	**Marion Energy Inc**
String type:	Surface
Location:	Carbon Co.
Project ID:	43-007-31210

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 440 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 500 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 438 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 72 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 185 ft

Cement top: 0 ft

Non-directional string.

Re subsequent strings:
Next setting depth: 1,848 ft
Next mud weight: 8.400 ppg
Next setting BHP: 807 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 500 ft
Injection pressure: 500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	500	10.75	40.50	J-55	ST&C	500	500	9.925	275.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	218	1580	7.243	500	3130	6.26	20	420	20.74 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940
Date: December 1,2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 500 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**2006-12 Marion Oman 10-29**		
Operator:	**Marion Energy Inc**		
String type:	Intermediate	Project ID:	43-007-31210
Location:	Carbon Co.		

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,536 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,757 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on air weight.
Neutral point: 1,619 ft

Environment:

H2S considered?	No
Surface temperature:	65 °F
Bottom hole temperature:	91 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	600 ft
Cement top:	89 ft

Directional well information:

Kick-off point	514 ft
Departure at shoe:	29 ft
Maximum dogleg:	3 °/100ft
Inclination at shoe:	10.07 °

Re subsequent strings:

Next setting depth:	4,699 ft
Next mud weight:	8.600 ppg
Next setting BHP:	2,099 psi
Fracture mud wt:	19.250 ppg
Fracture depth:	1,848 ft
Injection pressure:	1,848 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	1850	7.625	26.40	J-55	LT&C	1848	1850	6.844	490

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	807	2811	3.485	1757	4140	2.36	49	346	7.09 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals

Date: December 1,2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 1848 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Well name:	**2006-12 Marion Oman 10-29**
Operator:	**Marion Energy Inc**
String type:	Production Liner
Location:	Carbon Co.
Project ID:	43-007-31210

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,017 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 2,051 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on air weight.
Neutral point: 5,246 ft

Environment:

H2S considered?	No
Surface temperature:	65 °F
Bottom hole temperature:	131 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	1,500 ft
Cement top:	1,694 ft
Liner top:	1,650 ft

Directional well information:

Kick-off point	514 ft
Departure at shoe:	2734 ft
Maximum dogleg:	3 °/100ft
Inclination at shoe:	50 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	4260	5.5	17.00	J-55	LT&C	4699	5860	4.767	556

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2051	4910	2.394	2051	5320	2.59	53	247	4.69 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940

Date: December 1,2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

For this liner string, the top is rounded to the nearest 100 ft.Collapse is based on a vertical depth of 4699 ft, a mud weight of 8.4 ppg The Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

October 19, 2006

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Clear Creek Unit Carbon County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Clear Unit, Carbon County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Ferron)		
43-007-31247	Oman 3-32	Sec 29 T13S R07E 2041 FSL 1597 FEL
	BHL	Sec 32 T13S R07E 0962 FNL 1989 FWL
43-007-31246	Oman 2-31	Sec 30 T13S R07E 0120 FSL 1153 FWL
	BHL	Sec 31 T13S R07E 1615 FNL 1050 FEL

The following well has had the surface and bottom hole location changed please refer to our memo dated June 20, 2006.

43-007-31210	Oman 10-29	Sec 29 T13S R07E 2052 FSL 1581 FEL
	BHL	Sec 29 T13S R07E 1045 FNL 2032 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File – Clear Creek Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

From: "Farmington Receptionist" <rfarmington@marionenergy.com>
To: "Dustin Doucet" <dustindoucet@utah.gov>
Date: 5/9/2007 8:22 AM
Subject: RE: Mud Program
Attachments: DRILLING FLUIDS PROGRAM--Alternative Proposal.doc

Hi Dustin,

This is an alternative proposal to drill the 500'; otherwise we will take our chances drilling with the water the wells are making. However, we feel there is a need to increase the viscosity of the water to help lift the cuttings and more effectively clean the hole. Subsequently we submit this alternative proposal.

Thanks!

-----Original Message-----
From: Dustin Doucet [mailto:dustindoucet@utah.gov]
Sent: Monday, May 07, 2007 1:31 PM
To: Farmington Receptionist
Subject: RE: Mud Program

Charlotte,

I am assuming, that if you can't circulate with air that you will go to a freshwater system. If you remember, drilling with air with all the probable water flows was what prompted my request for more info in the first place. Could you please confirm and update the mud program to state such and send to me. I will process when received. Thank you.

Dustin

Dustin K. Doucet
Petroleum Engineer
Utah Division of Oil, Gas and Mining
Oil and Gas Program
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

Phone: (801) 538-5281
fax: (801) 359-3940
email: dustindoucet@utah.gov

>>> "Farmington Receptionist" <rfarmington@marionenergy.com> 5/3/2007 1:21 PM >>>
Hi Dustin,

The DAP is used as a slackening agent for the hole. If this is a problem we will air drill the surface portion of the hole.

Thanks,
Char

-----Original Message-----
From: Dustin Doucet [mailto:dustindoucet@utah.gov]
Sent: Wednesday, May 02, 2007 11:45 AM
To: Farmington Receptionist
Subject: Re: Mud Program

Charlotte,

Thanks for the info. I ran the proposal past our groundwater/geology people and they are not comfortable with the use of DAP or any potential additive that could contribute to the salinity of the Colorado River system at least while drilling the 500' of surface hole and preferably until after the intermediate hole has been drilled. They don't expect any significant clays or shales to be present in that upper portion of the hole. Please address these concerns and edit the mud program appropriately. Let me know if you have concerns or questions. I will wait on the permits until I hear further. Thanks.

Dustin

Dustin K. Doucet
Petroleum Engineer
Utah Division of Oil, Gas and Mining
Oil and Gas Program
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

Phone: (801) 538-5281
fax: (801) 359-3940
email: dustindoucet@utah.gov

>>> "Farmington Receptionist" <rfarmington@marionenergy.com> 5/1/2007 9:59 AM >>>
Hi Dustin,

Sorry for the delay in getting this to you, we just received it.

Thanks,

Charlotte

DRILLING FLUIDS PROGRAM

CONDUCTOR INTERVAL:

Prior to moving in the drilling rig: It is recommended that a bucket rig drill a 17-1/2 inch borehole to around 40-feet.

Set and cement 13-5/8 inch conductor casing.

SURFACE INTERVAL:

Spud with fresh water air/mist adding drilling foamer (soap) as required.

Borehole conditions may dictate converting over to fresh water aerated fluid for adequate borehole cleaning. For hole sweeps, add soap and PHPA polymer, as needed.

Severe loss zones will probably be encountered while drilling the surface interval to around 500-feet. If mud-up is required: Treat active system with 20 to 30% loss circulation material (LCM). Multi-seal and Fed-Seal have proven to be very effective. Continue drilling to casing point with a 40 to 42 sec/qt funnel viscosity, mud weight as-low-as-possible (ALAP) dumping sand trap and shale pit as needed. Fluid loss should be in the 5 to 8 cc range. Mechanical solids control equipment such as a double-deck mud cleaner, for LCM recovery is recommended, if mudded-up.

Water flows are common in central Utah. Weight-up with barite for sufficient mud density to contain water influx. It is not uncommon to weight-up into the 12.0 to 12.5 lb/gal range.

Set and cement ~~9-5/8~~ 10 3/4" inch surface casing.

DKD

INTERMEDIATE INTERVAL:

Drill-out with air/mist, adding 10 to 15 lb/bbl DAP (Di-Ammonium Phosphate) to mist water, for shale and clay inhibition.

Borehole conditions may dictate converting over to aerated fluid for adequate hole cleaning. It is recommended that 10 to 15 lb/bbl DAP water be used initially. However, if needed, a dispersed DAP mud may be needed.

Severe loss zones will probably be encountered while drilling the intermediate interval to around ~~3,500~~ 1850 feet. If mud-up is required: Treat active system with 20 to 30% loss circulation material (LCM). Multi-seal and Fed-Seal have proven to be very effective. Continue drilling to casing point with a 40 to 42 sec/qt funnel viscosity, mud weight as-low-as-possible (ALAP) dumping sand trap and shale pit as needed. Fluid loss should be in the 5 to 8 cc range. Mechanical solids control equipment such as a double-deck mud cleaner, for LCM recovery is recommended, if mudded-up.

Set and cement ~~7~~ 7 5/8" DKD inch intermediate casing.

PRODUCTION INTERVAL:

Drill-out with air/mist, adding 10 to 15 lb/bbl DAP (Di-Ammonium Phosphate) to mist water, for shale and clay inhibition.

Borehole conditions may dictate converting over to aerated fluid for adequate hole cleaning. It is recommended that 10 to 15 lb/bbl DAP water be used.

Loss circulation is not expected while drilling the production interval. However, the ferron sandstone will probably be wet and will probably produce copious amounts of fresh water. Mud-up and weight-up may be necessary. It is suggested that one continue using a dispersed DAP system, as previously described, but without LCM.

Top-set the ferron coal with 4-~~1/2~~ or ~~5~~ 5 1/2" Liner DKD inch casing, cementing to surface.

b. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

6. Evaluation Program

The anticipated type of amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

b. The logging program will consist of a DIL- GR-SP-CAL-ML-PE and a Compensated Neutron/Density will be run from surface to 5860'

c. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log' (Form 3160-4) will be submitted no later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).

d. The anticipated completion program is as follows:

Perforate Ferron w/ 3-3/8" casing gun @ 6 jspf using 23 gram charges. Break down formation with 2000 gallons of Formic acid. Fracture stimulate formation w/ 25# Cross linked x-Linked Gel and 200,000lbs of 16/30 mesh sand.

1. Anticipated Pressures and H,S

   a. The expected bottom hole pressure is 1200 psi. Low pressures are anticipated.

   b. No hydrogen sulfide gas is anticipated.

2. Other Information and Notification Requirements

   a. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.

   b. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.

   c. The data on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured though permanent metering facilities, whichever first occurs.

   d. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

   e. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or the operator shall be required to compensate the lesser for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

f. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No.3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

g. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to $10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109 (3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

h. Drilling will commence on approximately October 30, 2006

i. It is anticipated that the drilling of this well will take approximately 20 days.

j. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

k. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

l. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

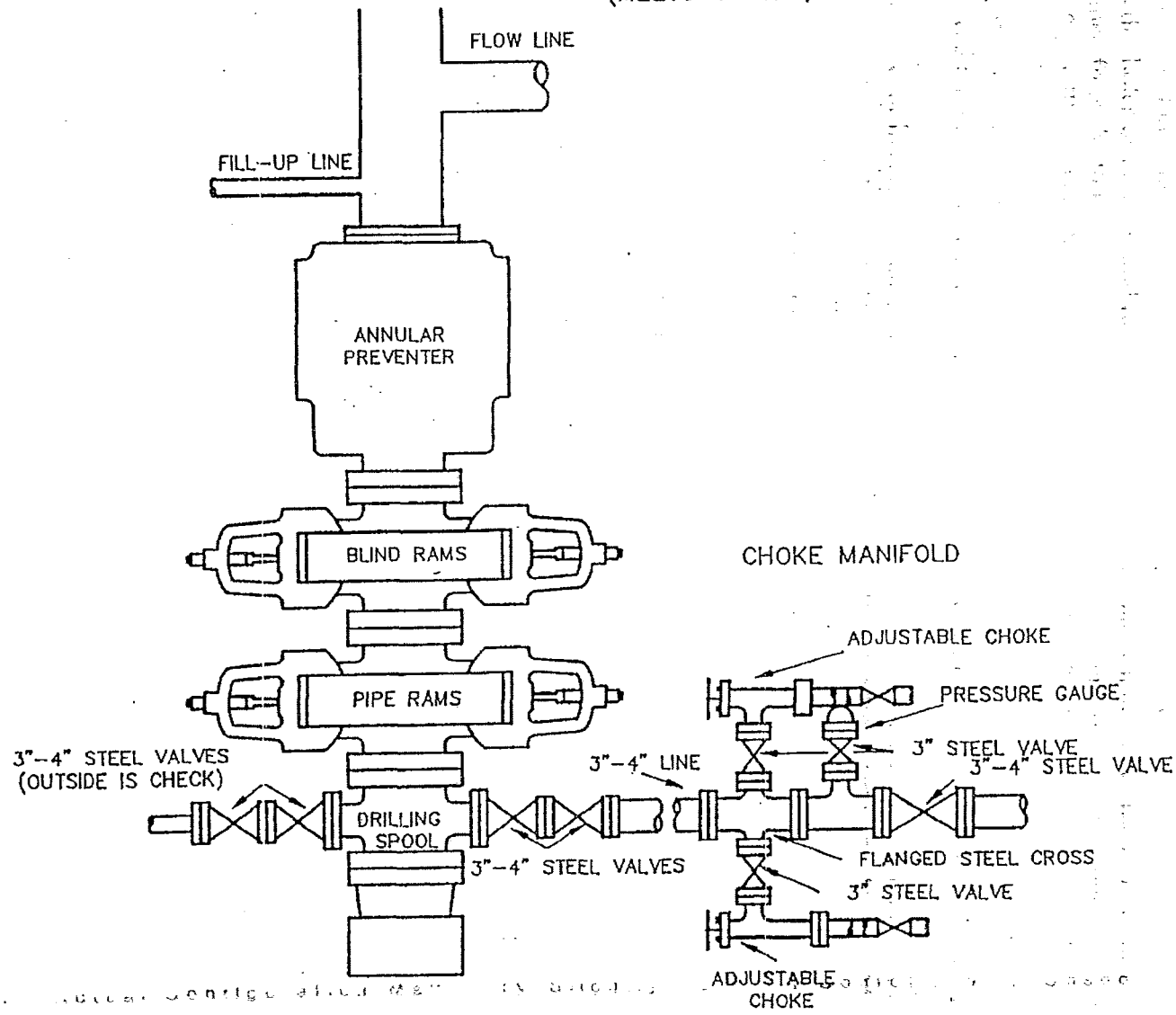
m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, and application for

approval of the permanent disposal method, along with the required water analysis and other information must be submitted to the District Engineer.

n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO> A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative or the appropriate Surface Managing Agency.

Typir · P Equipment. Actual Configuration Ma·· ry Slightly But Will Conform With Onsher Order #2

THREE PREVENTER HOOKUP
CLASS III
(MEETS 43 CFR, PARTS 3160, 3M SPECIFICATIONS)



ypir P Equipment. Actual Configuration Ma·· ry Slightly But Will Conform With Onsher Order #2

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

May 14, 2007

Marion Energy, Inc.
119 S Tennessee
McKinney, TX 75069

Re: Oman 10-29 Well, 2052' FSL, 1581' FEL, NW SE, Sec. 29, T. 13 South, R. 7 East, Bottom Location 1045' FNL, 2032' FWL, NE NW, Sec. 29, T. 13 South, R. 7 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31210.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Moab Office
SITLA

Operator: Marion Energy, Inc.

Well Name & Number Oman 10-29

API Number: 43-007-31210

Lease: ML-1256

Location:	NW SE	**Sec.** 29	**T.** 13 South	**R.** 7 East
Bottom Location:	NE NW	**Sec.** 29	**T.** 13 South	**R.** 7 East

Conditions of Approval

1. **General**

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

   The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

   - 24 hours prior to cementing or testing casing – contact Dan Jarvis
   - 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
   - 24 hours prior to spudding the well – contact Carol Daniels
   - Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
   - Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

   The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

   - Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
   - Any changes to the approved drilling plan – contact Dustin Doucet

   The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

   - Dan Jarvis at: (801) 538-5338 office
     (801) 942-0873 home
   - Carol Daniels at: (801) 538-5284 office
   - Dustin Doucet at: (801) 538-5281 office
     (801) 733-0983 home

3. **Reporting Requirements**

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

5. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: State ML-1256

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Clear Creek Federal Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Oman 10-29

2. NAME OF OPERATOR: Marion Energy, Inc.

9. API NUMBER: 4300731210

3. ADDRESS OF OPERATOR: 119 S. Tennessee CITY McKinney STATE TX ZIP 75069

PHONE NUMBER:

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2052'FSL, 1581.18' FEL SE/4 Section 29 13SR7E

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: APD Extension Request
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Marion Energy is requesting an APD Extension request. We were able to drill this past year because of poor weather.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 05-14-08

By:

COPY SENT TO OPERATOR
Date: 5·20·2008
Initials: KS

NAME (PLEASE PRINT) Scott Jacoby TITLE Landman

SIGNATURE Scott Jacoby DATE 5/8/2008

(This space for State use only)

RECEIVED
MAY 09 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 4300731210
Well Name: Oman 10-29
Location: SE 1/4 Section 29 Tonwship 13S Range 7E
Company Permit Issued to: Marion Energy Inc.
Date Original Permit Issued: 5/14/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐ No☑

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐ No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐ No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐ No☑

Has the approved source of water for drilling changed? Yes☐ No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐ No☑

Is bonding still in place, which covers this proposed well? Yes☑ No☐

Signature

5/8/2008
Date

Title: Landman

Representing: Marion Energy Inc.

RECEIVED
MAY 09 2008
DIV. OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Clear Creek Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER _____

8. WELL NAME and NUMBER: Oman 10-29

2. NAME OF OPERATOR: Marion Energy, Inc.

9. API NUMBER: 4300731210

3. ADDRESS OF OPERATOR: 119 S. Tennessee CITY McKinney STATE TX ZIP 75069

PHONE NUMBER: (972) 540-2967

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2052' FSL & 1581.18' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☑ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: _____	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER: _____
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

We propose to change the casing program originally submitted in the APD to reflect updated geologic top information. I have attached a new APD cover sheet reflecting the changes.

BHP 1200 psi

COPY SENT TO OPERATOR
Date: 9.8.2008
Initials: KS

Charlotte rfarmington@Marionenergy.com
505 (564-8005)

NAME (PLEASE PRINT) Doug Endsley TITLE VP Operations

SIGNATURE _____ DATE 8/22/2008

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
(See Instructions on Reverse Side)
DATE: 9/3/08
BY: _____

RECEIVED
AUG 25 2008
DIV. OF OIL, GAS & MINING

(5/2000)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: STATE ML-1256	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐	7. IF INDIAN, ALLOTTEE OR TRIBE NAME:
B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☑ MULTIPLE ZONE ☐	8. UNIT or CA AGREEMENT NAME: Clear Creek Unit
2. NAME OF OPERATOR: Marion Energy, Inc.	9. WELL NAME and NUMBER: Oman # 10-29
3. ADDRESS OF OPERATOR: 119 S. Tennessee CITY McKinney STATE TX ZIP 75069 / PHONE NUMBER: (972) 540-2967	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2052' FSL & 1581.18' FEL AT PROPOSED PRODUCING ZONE: 1045' FNL 2032' FWL	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 1.25 Mile NW of Clear Creek, Utah	12. COUNTY: Carbon / 13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 1650 feet	16. NUMBER OF ACRES IN LEASE: 480 / 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 20 Feet	19. PROPOSED DEPTH: 5,860 / 20. BOND DESCRIPTION: See Attached Bond Document
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 8,576.30 feet	22. APPROXIMATE DATE WORK WILL START: / 23. ESTIMATED DURATION:

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
17 1/4"	13 3/8"	J-55	61 #	800	Class "G"	490sx	1.85cuft	13.3 #
10 1/4"	7 5/8	J-55	26.4#	4,855	50/50 Poz	872sx	1.26cuft	14.2#
	DV Tool	+/-		2,400				14.2 ppg
6 3/4"	5 1/2"	N-80	17 #	5,302	50/50 Poz	50sx	1.26cuft	14.2#
	LT 4655'							

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☐ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☐ COMPLETE DRILLING PLAN
☐ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Doug Endsley TITLE VP Operations

SIGNATURE Doug Endsley DATE 8/22/2008

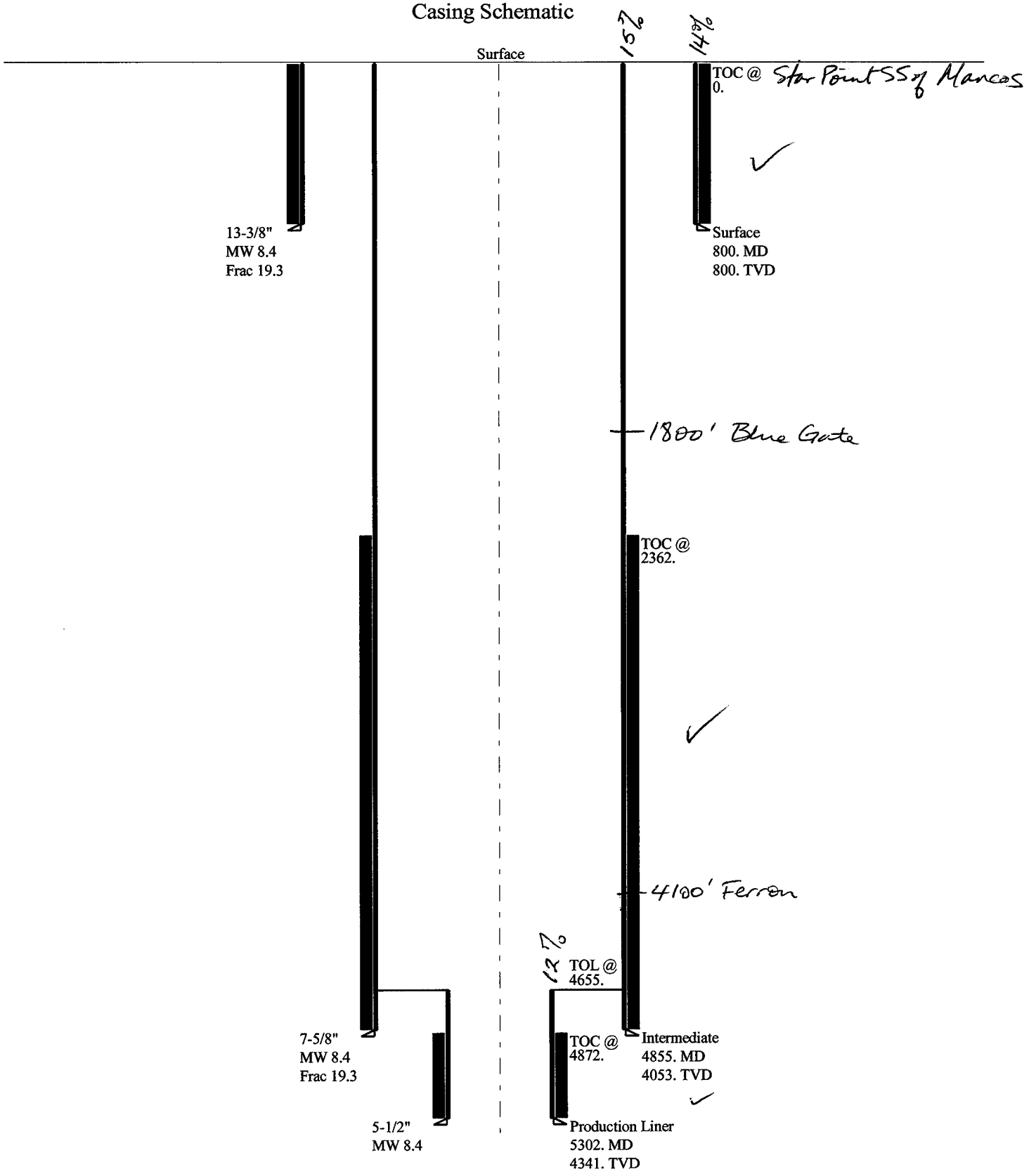
(This space for State use only)

API NUMBER ASSIGNED: _____ APPROVAL:

(11/2001) (See Instructions on Reverse Side)

43007312100000 Oman 10-29 (rev 2006-12)

Casing Schematic



Well name:	**43007312100000 Oman 10-29 (rev 2006-12)**
Operator:	**Marion Energy Inc**
String type:	Surface
Project ID:	43-007-31210-0000
Location:	Carbon Co.

Design parameters:

Collapse

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 704 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 800 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 700 ft

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 76 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 185 ft

Cement top: 0 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 4,053 ft

Next mud weight: 8.400 ppg

Next setting BHP: 1,769 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 800 ft

Injection pressure: 800 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	800	13.375	61.00	J-55	ST&C	800	800	12.39	683.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	349	1540	4.411	800	3090	3.86	49	595	12.19 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940

Date: September 3,2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 800 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Well name:	**43007312100000 Oman 10-29 (rev 2006-12)**
Operator:	**Marion Energy Inc**
String type:	Intermediate
Project ID:	43-007-31210-0000
Location:	Carbon Co.

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,418 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,905 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on air weight.
Neutral point: 4,071 ft

Environment:

H2S considered?	No
Surface temperature:	65 °F
Bottom hole temperature:	122 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	600 ft
Cement top:	2,362 ft

Directional well information:

Kick-off point	514 ft
Departure at shoe:	1965 ft
Maximum dogleg:	3 °/100ft
Inclination at shoe:	50 °

Re subsequent strings:

Next setting depth:	4,341 ft
Next mud weight:	8.600 ppg
Next setting BHP:	1,939 psi
Fracture mud wt:	19.250 ppg
Fracture depth:	4,053 ft
Injection pressure:	4,053 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	4855	7.625	26.40	J-55	ST&C	4053	4855	6.844	1286

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1769	2890	1.634	1905	4140	2.17	107	315	2.94 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals

Phone: 801-538-5357
FAX: 801-359-3940

Date: September 3,2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 4053 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Well name:	**43007312100000 Oman 10-29 (rev 2006-12)**
Operator:	**Marion Energy Inc**
String type:	Production Liner
Project ID:	43-007-31210-0000
Location:	Carbon Co.

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 939 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 1,894 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on air weight.
Neutral point: 5,225 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 126 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 4,873 ft

Liner top: 4,655 ft

Directional well information:

Kick-off point 514 ft
Departure at shoe: 2307 ft
Maximum dogleg: 0 °/100ft
Inclination at shoe: 50 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	602	5.5	17.00	N-80	LT&C	4341	5302	4.767	78.6

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1894	6290	3.321	1894	7740	4.09	7	348	52.90 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940

Date: September 3,2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

For this liner string, the top is rounded to the nearest 100 ft.Collapse is based on a vertical depth of 4341 ft, a mud weight of 8.4 ppg The Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

BOPE REVIEW	Marion Oman 10-29 API # 43-013-31210			
Well Name	Marion Oman 10-29 API # 43-013-31210			
	String 1	String 2	String 3	
Casing Size (")	13 3/8	7 5/8	5 1/2	
Setting Depth (TVD)	800	4053	4341	
Previous Shoe Setting Depth (TVD)	0	800	4053	
Max Mud Weight (ppg)	8.4	8.4	8.4	
BOPE Proposed (psi)	0	3000	3000	
Casing Internal Yield (psi)	3090	4140	7740	
Operators Max Anticipated Pressure (psi)	1200		5.3 ppg	

Calculations	String 1	13 3/8 "		
Max BHP [psi]	.052*Setting Depth*MW =	349		
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	253	NO Reasonable Depth - Diverter	
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	173	NO	
			*Can Full Expected Pressure Be Held At Previous Shoe?	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	173	NO	
Required Casing/BOPE Test Pressure		800	psi	
*Max Pressure Allowed @ Previous Casing Shoe =		0	psi	*Assumes 1psi/ft frac gradient

Calculations	String 2	7 5/8 "		
Max BHP [psi]	.052*Setting Depth*MW =	1770		
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	1284	YES	
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	879	YES	
			*Can Full Expected Pressure Be Held At Previous Shoe?	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	1055	NO O.K.	
Required Casing/BOPE Test Pressure		2898	psi	
*Max Pressure Allowed @ Previous Casing Shoe =		800	psi	*Assumes 1psi/ft frac gradient

Calculations	String 3	5 1/2 "		
Max BHP [psi]	.052*Setting Depth*MW =	1896		
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	1375	YES	
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	941	YES	
			*Can Full Expected Pressure Be Held At Previous Shoe?	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	1833	YES	
Required Casing/BOPE Test Pressure		3000	psi	
*Max Pressure Allowed @ Previous Casing Shoe =		4053	psi	*Assumes 1psi/ft frac gradient

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME: Clear Creek Unit	
1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER	8. WELL NAME and NUMBER: Oman 10-29
2. NAME OF OPERATOR: Marion Energy, Inc.	9. API NUMBER: 4300731210
3. ADDRESS OF OPERATOR: 119 S. Tennessee CITY McKinney STATE TX ZIP 75069 PHONE NUMBER: (972) 540-2967	10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2052' FSL & 1581.18' FEL COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Intermediate Casing Size
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Due to lack of availability of 7 5/8" casing, Marion Energy, Inc. proposes to change the intermediate casing size for the Oman 10-29 to 8 5/8", J-55, 32 # set at +/- 4800'.

NAME (PLEASE PRINT) Charlotte Parker TITLE Secretary

SIGNATURE Charlotte Parker DATE 9/4/2008

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(5/2000) (See Instructions on Reverse Side)

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Clear Creek Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Oman 10-29

2. NAME OF OPERATOR: Marion Energy, Inc.

9. API NUMBER: 4300731210

3. ADDRESS OF OPERATOR: 119 S. Tennessee CITY McKinney STATE TX ZIP 75069

PHONE NUMBER: (972) 540-2967

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2052' FSL & 1581.18' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Intermediate Casing Size
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Due to lack of availability of 7 5/8" casing, Marion Energy, Inc. proposes to change the intermediate casing size for the Oman 10-29 to 8 5/8", J-55, 32 # set at +/- 4800'.

NAME (PLEASE PRINT) Charlotte Parker TITLE Secretary

SIGNATURE Charlotte Parker DATE 9/4/2008

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 9/4/08
BY:

RECEIVED
SEP 04 2008
DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR
Date: 9.8.2008
Initials: KS

(5/2000) (See Instructions on Reverse Side)

Well name:	**43007312100000 Oman 10-29 (rev 2006-12)**
Operator:	**Marion Energy Inc**
String type:	Intermediate
Project ID:	43-007-31210-0000
Location:	Carbon Co.

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,418 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,905 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on air weight.
Neutral point: 4,068 ft

Environment:

H2S considered?	No
Surface temperature:	65 °F
Bottom hole temperature:	122 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	600 ft
Cement top:	1,734 ft

Directional well information:

Kick-off point	514 ft
Departure at shoe:	1965 ft
Maximum dogleg:	3 °/100ft
Inclination at shoe:	50 °

Re subsequent strings:

Next setting depth:	4,341 ft
Next mud weight:	8.600 ppg
Next setting BHP:	1,939 psi
Fracture mud wt:	19.250 ppg
Fracture depth:	4,053 ft
Injection pressure:	4,053 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	4855	8.625	32.00	J-55	ST&C	4053	4855	7.875	1661.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1769	2530	1.430	1905	3930	2.06	130	372	2.87 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940

Date: September 4,2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 4053 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME: Clear Creek Unit	
1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER	8. WELL NAME and NUMBER: Oman 10-29
2. NAME OF OPERATOR: Marion Energy, Inc.	9. API NUMBER: 4300731210
3. ADDRESS OF OPERATOR: 119 S. Tennessee CITY McKinney STATE TX ZIP 75069 PHONE NUMBER: (972) 540-2967	10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2052' FSL & 1581.18' FEL COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Spud Sundry
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The Oman 10-29 was spud on 8-26-2008. We set 40' of conductor and started the rat and mouse hole.

NAME (PLEASE PRINT) Charlotte Parker TITLE Secretary

SIGNATURE Charlotte Parker DATE 8/27/2008

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(5/2000) (See Instructions on Reverse Side)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Marion Energy, Inc.

Operator Account Number: N 2740

Address: 119 South Tennessee Suite 200

city McKinney

state TX zip 75069

Phone Number: (972) 540-2967

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731210	Oman 10-29		NWSE	29	13S	7E	Carbon
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
B	99999	2550	8/26/2008			9/25/08	
Comments: FRSD							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Scott Jacoby
Name (Please Print)

Scott Jacoby
Signature

Landman
Title

9/24/2008
Date

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(5/2000)

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5 LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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7 UNIT or CA AGREEMENT NAME: Clear Creek Unit

1 TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8 WELL NAME and NUMBER: Oman 10-29

2 NAME OF OPERATOR: Marion Energy, Inc.

9 API NUMBER: 4300731210

3 ADDRESS OF OPERATOR: 119 S. Tennessee, McKinney, TX, 75069 | PHONE NUMBER: (972) 540-2967

10 FIELD AND POOL, OR WILDCAT: Wildcat

4 LOCATION OF WELL

FOOTAGES AT SURFACE: 2052' FSL & 1581.18' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E

STATE: UTAH

11 CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 10/5/2008	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Set Surface Casing
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU Nabors Rig # 513. Drill 12 1/4" hole to 830'. Ran 18 jts of 9 5/8", J-55, 36# casing set @ 757'. Cemented w/ 350 sx, Class "G" w/ 2% CaCL and 1/4 lb/sk Flocele. Circulated to surface but cement fell back approx. 10'. Bumped plug, float held. Plug down @ 5:50 pm 10/5/08. Decision was made to run 9 5/8" as opposed to 10 3/4" at the request of the directional drillers due to bit and motor availability.

NAME (PLEASE PRINT): Doug Endsley | TITLE: VP Operations

SIGNATURE: Doug Endsley | DATE: 10/10/2008

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OCT 1 3 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME: Clear Creek Unit
8. WELL NAME and NUMBER: Oman 10-29
9. API NUMBER: 4300731210
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER
2. NAME OF OPERATOR: Marion Energy, Inc.
3. ADDRESS OF OPERATOR: 119 S. Tennessee CITY McKinney STATE TX ZIP 75069 PHONE NUMBER: (972) 540-2967
4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2052' FSL & 1581.18' FEL COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Drilling Update
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

As of 6:00 am, 10-13-08 we are drilling ahead at 3,000 ft.

NAME (PLEASE PRINT) Charlotte Parker TITLE Secretary
SIGNATURE Charlotte Parker DATE 10/13/2008

(This space for State use only)

RECEIVED
OCT 13 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/14/2008
Report # 15
DFS: 12

Well Name: Omen 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
3,080	256

Operations at Report Time	Operations Next Report Period
Rigging up free point truck. to back off kelly	Jar pipe free and wiper trip and look @ bit

Operations Summary

Rot.Drlg. and Slide made 253' in 10 hrs. . Circ and cond mud , Worked Stuck pipe @ 3060'

Remarks

After circ and cond mud for 7 hrs. drill kelly dn. string pulled tight set jars off on conn Ream kelly twice No drag, No torque, Made conn @ 3048' drilled kelly dn. to 3080' Picked up 12' hit tight spot, worked pipe to 3060' Pipe stuck , No movement. Called in Slaugh fishing company.

AFE Number	Total AFE + Sup Amount
Daily Cost Total	**Cum Cost To Date**
Daily Mud Cost	**Mud Additive Cost To Date**
Depth Start (ftKB)	**Current Depth (ftKB)**
2,824	3,080
Target Formation	**Target Depth (ftKB)**
fERRON	5,356
Time Log Total Hours (hrs)	**Problem Time Hours (hrs)**
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	11:00	3,017	8.70	50	3.0	7

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
			12.0	1	7.5	2.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	800	8.80		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	04:00	4.00	4.00	Rot.Drlg. and Slide (93') 2827' to 2920' Wob.40k Rpm.50. Gpm.300 Diff. 150-250
04:00	08:00	4.00	8.00	Rot.Drlg. (96') 2920' to 3016' Wob. 40k , Rpm.50 , Gpm. 300 , Diff 250-300
08:00	15:00	7.00	15.00	Circ and build mud for 45 Vis and 4-6 water loss
15:00	16:00	1.00	16.00	Rot.Drlg (32') 3016' to 3048' Wob.40k , Rpm.50 Gpm.300, Diff 250-300
16:00	16:30	0.50	16.50	Had to hit Jars @ 3048' to get off btm. on conn , Reamed kelly dn. twice with no drag no torque
16:30	17:30	1.00	17.50	Rot.Drlg. (32') 3048' to 3080' Wob.40k , Rpm.50 , Gpm.300 , Diff 250-300
17:30	19:30	2.00	19.50	Worked tight hole from 3068' to 3060' on connection.
19:30	00:00	4.50	24.00	Work stuck pipe @ 3060' and wait on fishing service. and WL truck.
00:00	00:00		24.00	

Drill Strings

BHA #2, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (
2	8 3/4in, R22AP, M32499	------	0.75	95.50	32

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
18/18/18	1,432	65	23

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	2,824	3,080	2,243	10.00	95.50	26	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
40	50	975.0	90	95	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
23.0	0.4	129.0	131.2	13.5

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	0.75

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.83	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.96	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	205.70	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,710	47.90	320.80	2,355	1,136.93	1.00
2,774	47.40	320.50	2,398	1,184.14	0.85
2,838	47.10	320.30	2,441	1,231.02	0.52
2,902	48.10	320.20	2,485	1,278.17	1.57
2,966	48.20	319.80	2,527	1,325.71	0.49

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	2.00

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
975.0	85	298	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
WALNUT SHELL		90.0
TORK BUSTER		2.0
SUPER GEL		427.0
SOLPHALT		5.0
SHINK WRAP		20.0
SAW DUST		215.0
POLY PLUS		2.0
PALLETS		8.0
PAC LV		10.0
ENGINEER SER.		1.0
CALCIUM CARBONAT		2.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/15/2008
Report # 16
DFS: 13

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)	AFE Number	Total AFE + Sup Amount
3,080	0		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
@ 6:00 am.TOH, with bit # 2	Change out bits and TIH, Drlg		

Operations Summary

Worked stuck pipe, unfreeze ice out of kelly, Free point @ 177' set back kelly , Pick up surface jars, After 4-5 hits jars locked up, picked up second set , while jarring dn. the Dn. hole jars started working , Layed down surface jars, picked up kelly and jar on pipe, Setting jars off @ 80 over.

Daily Mud Cost	Mud Additive Cost To Date

Depth Start (ftKB)	Current Depth (ftKB)
3,080	3,080

Target Formation	Target Depth (ftKB)
fERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Remarks

@ 03:00 Pipe came free and circ @ 2995', Pumped 3- Jts. out with kelly and set kelly back and TOH.

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	00:10	3,080	8.70	43	5.0	5

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
2	3		6.2	1	8.0	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,100	9.21		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	06:00	6.00	6.00	Breaking bull plug out of top of swivel for free point truck
06:00	12:00	6.00	12.00	unfreeze ice out of inside of swivel and kelly
12:00	13:00	1.00	13.00	Free point @ 177' set kelly back, Pick up 1- DP. screw back in to fish
13:00	15:00	2.00	15.00	Retrive MWD. with wire line truck
15:00	15:15	0.25	15.25	Nabors J.S.A. with crews (Sslety meeting.
15:15	16:00	0.75	16.00	Pick up surface jars.
16:00	16:15	0.25	16.25	Nabors J.S.A. with crew
16:15	17:00	0.75	17.00	Jarred on pipe 4-5 times with surface jars and jars locked up
17:00	21:30	4.50	21.50	Wait on jars, Did not try to circ or fill pipe because of freezing weather,
21:30	21:45	0.25	21.75	Nabors J.S.A. with crew. Note this is a Nabors safety man shutting rig down and doing all these J.S.A
21:45	00:00	2.25	24.00	Jarred down on surface jars, and drill string jars started working. Layed down surface jars. After making a foot and a half picked up kelly and tryed to break circ while jarring on pipe.

Drill Strings

BHA #2, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
2	8 3/4in, R22AP, M32499	-------	0.75	95.50	32

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
18/18/18	1,432	65	23

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	3,080	3,080	2,243	0.00	95.50		300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
40	50	975.0	90	95	85		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
23.0	0.4	129.0	131.2	13.5

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	0.75

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.83	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.96	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	205.70	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,710	47.90	320.80	2,355	1,136.93	1.00
2,774	47.40	320.50	2,398	1,184.14	0.85
2,838	47.10	320.30	2,441	1,231.02	0.52
2,902	48.10	320.20	2,485	1,278.17	1.57
2,966	48.20	319.80	2,527	1,325.71	0.49

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	6.00	8.00

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		1.0
SOLPHALT		1.0
SUPER GEL		56.0
POLY PLUS		1.0
SAW DUST		6.0
SHINK WRAP		8.0
PALLETS		8.0
PAC LV		20.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/16/2008
Report # 17
DFS: 14

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)	AFE Number	Total AFE + Sup Amount
3,080	0		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
@6:00AM Rot.Drlg. @ 3085'	Rot.Drlg and Slide and run surveys		

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

Jar stuck pipe free, TOH. cond mud and repair toe board on derrick board, Repair hydraulic lines to bope. and function test bope, Pick up bit.motor and MWD.tool. TIH. to 500' and test motor, TIH with bit#3 depth of bit on trip @ report time 2510'

Depth Start (ftKB)	Current Depth (ftKB)
3,080	3,080

Target Formation	Target Depth (ftKB)
fERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Remarks

Reamed 31' of ungaged hole, Wob.6-8k Rpm.50, Fuel used in last 24hrs.500 gals Fuel on hand 7968 gals

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	00:00	3,080	8.60	43	4.0	5

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
			6.6	1	7.5	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,150	8.89		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	03:00	3.00	3.00	Jar on stuck pipe , setting Jars off @ 80k over string Wt. with surface jars until drilling jars started working, Layed down surface jars . Work jars and useing pump psi, Pipe came free.
03:00	07:00	4.00	7.00	TOH. for short trip and to look @ bit.
07:00	10:00	3.00	10.00	Load hole with mud @ specks and Circ steel pits while building vol in mud system And rig repair.
10:00	13:45	3.75	13.75	Pre-fab toe board for derrick board. and install.
13:45	16:45	3.00	16.75	Rig Repair, work on Bop. rams, And function test Bop
16:45	19:45	3.00	19.75	Make up bit, motor, and MWD. tools
19:45	20:15	0.50	20.25	TIH. with bit # 3 on steerable assy.
20:15	21:15	1.00	21.25	Pick up kelly and test MWD.tools (OK)
21:15	00:00	2.75	24.00	TIH. with bit # 3 on steerable assy.

Drill Strings

BHA #3, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
3	8 3/4in, R22AP, M32506	-------	0.75		

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
18/18/18	1,409	64	

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	3,080	3,080		0.00			300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
40	50	975.0	90	95	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
22.5	0.4	128.3	128.3	13.2

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	0.75

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,710	47.90	320.80	2,355	1,136.93	1.00
2,774	47.40	320.50	2,398	1,184.14	0.85
2,838	47.10	320.30	2,441	1,231.02	0.52
2,902	48.10	320.20	2,485	1,278.17	1.57
2,966	48.20	319.80	2,527	1,325.71	0.49

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	6.75	14.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
975.0	85	298	95

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		5.0
SOLPHALT		9.0
SHINK WRAP		3.0
POLY PLUS		1.0
PAC LV		2.0
PALLETS		3.0
ENGINEER SER		1.0
CALCIUM CARBONAT		3.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/17/2008
Report # 18
DFS: 15

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
3,113	33

Operations at Report Time	Operations Next Report Period
Digging out cellar to repair well head and casing.	Repair well head and casing , TIH and resume drilling

Operations Summary

TIH with bit #3, Wash and ream to Btm. (52' of undergaged hole) Rot.Drlg (33') 3080' to 3113' , Attempted to patch casing just below 9 5/8 well head,(no good) TOH. N-Dn. bop and cut off 9 5/8 well head And dig Dn. around cond pipe .

Remarks

Drill pipe wore a hole in casing below well head. Head did not have a wear bushing , We have a back hoe set up to dig cellar deeper to fix the casing. Fuel used in last 24hrs.500gals Fuel on hand 7568 gals

AFE Number	Total AFE + Sup Amount
Daily Cost Total	**Cum Cost To Date**
Daily Mud Cost	**Mud Additive Cost To Date**
Depth Start (ftKB)	**Current Depth (ftKB)**
3,080	3,113
Target Formation	**Target Depth (ftKB)**
fERRON	5,356
Time Log Total Hours (hrs)	**Problem Time Hours (hrs)**
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	00:00	3,113	8.70	76	30.0	9

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
2	3		6.6	1	8.0	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	900	10.30		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	04:00	4.00	4.00	TIH. with bit # 3 on steerable assy.
04:00	05:30	1.50	5.50	Wash and ream to Btm. (52') 3048' to 3080' (undergaged hole)
05:30	06:00	0.50	6.00	Circ for 5 min before running Survey on connection
06:00	08:00	2.00	8.00	Rot.Drlg.(33') 3080 to 3113' Rop. 16.5 Wob 20-30k Rpm.50, Gpm.300, Diff.200
08:00	08:30	0.50	8.50	Circ while inspecting 9 5/8 casing below well head for leaks
08:30	09:00	0.50	9.00	Circ 5min. before running Survey and Conn.
09:00	12:00	3.00	12.00	Attempt to patch crack in 9 5/8 casing below well head.
12:00	16:30	4.50	16.50	TOH. to repair casing under 9 5/8 well head.
16:30	17:30	1.00	17.50	Lay dn. MWD. tools and break off bit.
17:30	23:00	5.50	23.00	N-Dn. BOP and cut off 9 5/8 well head
23:00	00:00	1.00	24.00	Dig out around Cond. pipe to repair 9 5/8 casing.

Drill Strings

BHA #3, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
3	8 3/4in, R22AP, M32506		0.75	2.00	1,557

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
18/18/18	1,409	64	17

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	3,080	3,113	33	2.00	2.00	17	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
40	50	975.0	90	95	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
22.7	0.4	128.3	129.8	13.3

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	0.75

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,774	47.40	320.50	2,398	1,182.52	0.85
2,838	47.10	320.30	2,442	1,229.41	0.52
2,902	48.10	320.20	2,485	1,276.56	1.57
2,966	48.20	319.80	2,528	1,324.11	0.49
3,030	48.40	319.70	2,570	1,371.75	0.33

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	14.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
975.0	85	298	95

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
SUPER GEL		140.0
SOLPHALT		16.0
SHINK WRAP		5.0
SAW DUST		44.0
POLY PLUS		3.0
PALLETS		5.0
PAC LV		14.0
MICA		3.0
ENGINEER SER.		1.0
CALCIUM CARBONAT		23.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/18/2008
Report # 19
DFS: 16

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB Ground Distance (ft)
10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
3,113	0

Operations at Report Time	Operations Next Report Period
Washing over 9 5/8 casing	Wash over 9 5/8 casing.

Operations Summary
Dig out cellar , (Nabors shut down rig until bridge plug was set)Set bridge plug @ 620', Rig up reverse unit and tranfer pumps.

Remarks
Hole is taking 9.5 bbls pre.hr over 9.5 hrs. , Fuel used in last 24hrs.650 gals , Fuel on hand 7876 gals

AFE Number	Total AFE + Sup Amount
Daily Cost Total	**Cum Cost To Date**
Daily Mud Cost	**Mud Additive Cost To Date**
Depth Start (ftKB)	**Current Depth (ftKB)**
3,113	3,113
Target Formation	**Target Depth (ftKB)**
fERRON	5,356
Time Log Total Hours (hrs)	**Problem Time Hours (hrs)**
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	18:00	3,113	8.60	39	11.0	4

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
2	3				8.0	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,200	9.20		

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	14.75

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	06:00	6.00	6.00	Dig out cellar
06:00	16:30	10.50	16.50	Setting up WL truck and waiting on WL truck to set bridge plug.
16:30	17:30	1.00	17.50	J-W Wireline set bridge plug @ 620'
17:30	19:30	2.00	19.50	Nabors shut down rig for U-A and alcohol drug test on rig.
19:30	00:00	4.50	24.00	Rig up reverse swivel and tranfer pumps to wash over 9 5/8 casing

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Drill Strings

BHA #3, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
3	8 3/4in, R22AP, M32506		0.75	2.00	1,557

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
18/18/18	1,409	64	17

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	3,113	3,113	33	0.00	2.00		300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
40	50	975.0	90	95	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
22.5	0.4	128.3	128.3	13.2

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	0.75

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr, 7/8, 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,774	47.40	320.50	2,398	1,182.52	0.85
2,838	47.10	320.30	2,442	1,229.41	0.52
2,902	48.10	320.20	2,485	1,276.56	1.57
2,966	48.20	319.80	2,528	1,324.11	0.49
3,030	48.40	319.70	2,570	1,371.75	0.33

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
SUPER GEL		140.0
SOLPHALT		16.0
SHINK WRAP		5.0
SAW DUST		44.0
POLY PLUS		3.0
PALLETS		5.0
PAC LV		26.0
MICA		3.0
ENGINEER SER.		1.0
CALCIUM CARBONAT		147.0
COTTON HULLS		43.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/19/2008
Report # 20
DFS: 17

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
127	127

Operations at Report Time
We have made cut and are Running spear on casing

Operations Next Report Period
Cut casing, TOH, TIH and spear casing , lay dn. and run 127' casing and cement and weld on 9 5/8 well head

Operations Summary
Wait on tongs. Rig up tongs and power swivel, Wash over 9 5/8 casing from 0-127' with KB., TOH

Remarks
Fuel used in last 24hrs. 392 gals, Fuel on hand 7489 gals

AFE Number	Total AFE + Sup Amount
Daily Cost Total	**Cum Cost To Date**
Daily Mud Cost	**Mud Additive Cost To Date**
Depth Start (ftKB)	**Current Depth (ftKB)**
0	127
Target Formation	**Target Depth (ftKB)**
fERRON	5,356
Time Log Total Hours (hrs)	**Problem Time Hours (hrs)**
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	13:00	3,113	8.70	55	20.0	17

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
2	3		5.2	1	7.5	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,000	9.08		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	05:30	5.50	5.50	Wait on tongs
05:30	09:00	3.50	9.00	Rig up tongs and power swivel
09:00	22:00	13.00	22.00	Wash over 9 5/8 casing 127' with a 20' KB.
22:00	00:00	2.00	24.00	TOH. to pick up casing cutter tool.

Drill Strings

BHA #4, Wash over assy.

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
4	11 3/4in, Hydrill, SFS3362			11.00	12

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	145		12

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	0	127	127	11.00	11.00	12	220

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
1,000	50	70.0	15,000	15,000	13,000		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
16.5	0.2			183.3

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
90.9	0.0	90.9	0.0	

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
wash over shoe	1	11.750		4.05	
wash pipe	3	11.750		96.54	
wash over pup Jt.	1	11.750		7.16	
top sub	1	11.750		2.91	
OX sub	1	4.500		2.53	
Dill pipe	1	4.500		31.50	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	14.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
80.0	60	211	95

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
COTTON HULLS		9.0
ENGINEER SER.		1.0
PAC LV		19.0
PALLETS		3.0
SHINK WRAP		3.0
SUPER GEL		86.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/20/2008
Report # 21
DFS: 18

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)	AFE Number	Total AFE + Sup Amount
3,113	0		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
75% finished Nippling up BOP	N-up BOP, Test bop , Pick up BHA, TIH with steerable assy.		

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

TOH, pick up spear, Spear 9 5/8 casing and lay down 3-Jts. , Rig up and run 3-Jts on a patch assy. Cement with 150 sack 2% , top off cellar and stayed , WOC, Cut off and weld on new 9 5/8 slip on well head.

Remarks

Fuel used in last 24hrs. 520 gals. Fuel on hand 6969 gals

Depth Start (ftKB)	Current Depth (ftKB)
3,113	3,113

Target Formation	Target Depth (ftKB)
fERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	13:00	3,113	8.70	50	20.0	17

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
2	3		5.2	1	7.5	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,000	9.08		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	04:00	4.00	4.00	TOH. to pick up casing cutting tool.
04:00	07:30	3.50	7.50	TIH casing cutter tool.
07:30	10:30	3.00	10.50	TOH. and lay down wash pipe
10:30	12:30	2.00	12.50	Pick up spear and pick up 9 5/8 casing , Lay down 3-Jts 9 5/8 casing
12:30	13:00	0.50	13.00	Held post job safety meeting with casing crew and cement crew.
13:00	15:00	2.00	15.00	Rig up and run 3-Jts 9 5/8 casing , tag top of casing @ 92', set patch collar and pulled 100k to make sure pack off set.
15:00	16:00	1.00	16.00	Set 500# sand on top of bridge plug and cement with 150 sack 2.1 cacl, 1/4#/sk floccle , Slurry # 15.8 , Slurry yield 1.15 , gal./sk 5
16:00	22:00	6.00	22.00	Wait on cement and clear out cellar, Cement did not fall back.
22:00	00:00	2.00	24.00	Cut off 9 5/8 casing and weld on well head.

Drill Strings

BHA #5, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
4	8 3/4in, R22AP, M32506	-----		2.00	1,557

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,409	64	

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (	Int ROP (ft/hr)	Flow Rate (gpm)
	3,113	3,113		0.00			300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
40	50	975.0	90	95	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8, 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,774	47.40	320.50	2,398	1,182.52	0.85
2,838	47.10	320.30	2,442	1,229.41	0.52
2,902	48.10	320.20	2,485	1,276.56	1.57
2,966	48.20	319.80	2,528	1,324.11	0.49
3,030	48.40	319.70	2,570	1,371.75	0.33

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	14.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
PAC LV		9.0
ENGINEER SER.		1.0
COTTON HULLS		3.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/21/2008
Report # 22
DFS: 19

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)	AFE Number	Total AFE + Sup Amount
3,113	0		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
Waiting on pipe rams	Test pipe rams , pick up Dir tools, TIH to drill 8 3/4 hole		

Operations Summary	Daily Mud Cost	Mud Additive Cost To Date
Nipple up bop, Test blinds, choke manifold , kelly and valve back to pumps, and Acculator, Wait on pipe rams,		

Remarks	Depth Start (ftKB)	Current Depth (ftKB)
Fishermen was not to pull bridge plug , While washing to btm. to clean up sand off top of plug While waiting for rams , We screwed in to it and spiked pump psi. TOH with plug, 12:00 midnight Rams arriv, but they are wrong type , Weatherford is on the way with the right one's ,	3,113	3,113

Target Formation	Target Depth (ftKB)
fERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	10:45	3,113	8.70	50	19.0	12

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
2	3		5.6	1	8.5	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,000	9.08		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	06:00	6.00	6.00	Nipple up BOP on 9 5/8 well head and test head @ 1500# (OK)
06:00	10:30	4.50	10.50	Test BOP , Blinds, Choke manifold , Kelly and valves back to pumps.
10:30	19:00	8.50	19.00	Work on and wait on 4 1/2 pipe rams
19:00	21:30	2.50	21.50	TIH with 1 std of hwdp and Jars, Tagged @ 108' , Picked up kelly and circ thru spot. (did not have to rotate pipe.
21:30	22:00	0.50	22.00	Screwed in to bridge plug, while washing to btm , Pump psi spiked.
22:00	00:00	2.00	24.00	TOH with bridge plug.

Drill Strings

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,774	47.40	320.50	2,398	1,182.52	0.85
2,838	47.10	320.30	2,442	1,229.41	0.52
2,902	48.10	320.20	2,485	1,276.56	1.57
2,966	48.20	319.80	2,528	1,324.11	0.49
3,030	48.40	319.70	2,570	1,371.75	0.33

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	8.50	23.25

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
Sodium Bicarbona		1.0
SUPER GEL		26.0
ENGINEER SER.		1.0
PALLETS		2.0
SHINK WRAP		2.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/22/2008
Report # 23
DFS: 20

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
3,113	0

Operations at Report Time	Operations Next Report Period
Changing out BOP.	N-up BOP , test, pick up Dir tools ,TIH , drlg formation

Operations Summary

Change out pipe rams, The rams that was delivered was wrong type. Waited 6hrs. on pipe rams, installed and test shows no-test, (doors leaking) tighten doors, Re-test shows No-test, Leaking around behind pipe ram blocks, Change out ram carrier's Re-test shows No test, After inspecting inside of BOP shows body of BOP is washed out, (BOP has to be shopped) Waited on BOP replacement from Nabors yard 7 hrs. Bop that was delivered has no door bolts, Waited on bolts 4 hrs.

Remarks

Fuel used in last 24 hrs. 500 gals , Fuel on hand 5969 gals

AFE Number	Total AFE + Sup Amount
Daily Cost Total	**Cum Cost To Date**
Daily Mud Cost	**Mud Additive Cost To Date**
Depth Start (ftKB)	**Current Depth (ftKB)**
3,113	3,113
Target Formation	**Target Depth (ftKB)**
fERRON	5,356
Time Log Total Hours (hrs)	**Problem Time Hours (hrs)**
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	10:45	3,113	8.70	49	19.0	11

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
2	3		5.6	1	8.0	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,150	9.81		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	02:00	2.00	2.00	Pulled 4.5 pipe ram ,
02:00	08:00	6.00	8.00	Wait on parts to BOP , install pipe rams
08:00	09:00	1.00	9.00	Rig up BOP tester and test, Change out door gaskets
09:00	10:00	1.00	10.00	Re-test pipe rams, No test, leaking behind pipe ram blocks
10:00	11:00	1.00	11.00	Change out pipe ram carriers , No test
11:00	18:00	7.00	18.00	Wait on BOP , rig dn. rot head and spacer spool on top of BOP.
18:00	20:00	2.00	20.00	Unload and inspect BOP replacement
20:00	00:00	4.00	24.00	Wait on parts for BOP, All the door bolts

Drill Strings

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,774	47.40	320.50	2,398	1,182.52	0.85
2,838	47.10	320.30	2,442	1,229.41	0.52
2,902	48.10	320.20	2,485	1,276.56	1.57
2,966	48.20	319.80	2,528	1,324.11	0.49
3,030	48.40	319.70	2,570	1,371.75	0.33

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	19.00	42.25

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		1.0
SUPER GEL		7.0
ENGINEER SER.		1.0
POLY PLUS		1.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/23/2008
Report # 24
DFS: 21

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
3,113	0

AFE Number	Total AFE + Sup Amount

Operations at Report Time	Operations Next Report Period
Rigging dn. BOP tester to TIH with Dir ser.	Pick up Dir tools, TIH, Wash to btm. and drlg new formation.

Daily Cost Total	Cum Cost To Date

Daily Mud Cost	Mud Additive Cost To Date

Depth Start (ftKB)	Current Depth (ftKB)
3,113	3,113

Target Formation	Target Depth (ftKB)
fERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Operations Summary

Hook up lines to New BOP on the ground and function worked rams, Nipple down BOP off well head, Nipple up new BOP. Tighten bolts, BOP are not the same height , Cut and pre-fab spacer spool under rotating head to fit. Rig down flow line and clean out hard cement (85% plugged) Nipple up BOP, Test and re-test rams, replace rubber's and gasket's We got our first good test on pipe rams @ 12:30 am,

Remarks

After report we have a full test on BOP, pipe rams and blinds tested @ 250 low 2500 hi. (OK) Hydril @ 1500 (OK) Choke manifold @ 2500 (OK) We tested from lower kelly valve back to pumps @ 2500 (OK) BOP is fully tested and ready to drill.

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	42.25

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	10:45	3,113	8.70	47	17.0	8

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
2	3		5.6	1	8.0	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,200	9.66		

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	02:00	2.00	2.00	Clean up New BOP. Install rams , hook up and function test Bop out in the yard.before putting on well head.
02:00	06:30	4.50	6.50	Nipple dn. BOP from well head.
06:30	08:30	2.00	8.50	Set new BOP on well head and tighten bolts
08:30	11:30	3.00	11.50	Pick up and nipple up hydrill and spacer spool,
11:30	13:30	2.00	13.50	Pre-fab spacer spool under rot head to correct hieght for flowline
13:30	15:30	2.00	15.50	Remove flow line and clean out cement 85% plugged
15:30	17:30	2.00	17.50	Install flowline and rotating head
17:30	18:00	0.50	18.00	Function test BOP to make sure lines are right
18:00	19:00	1.00	19.00	Rig up BOP tester and set well head plug.
19:00	20:00	1.00	20.00	Test pipe rams No test, leaking around blocks
20:00	21:00	1.00	21.00	Pull dp out of Bop and test blind rams, No test, Started leaking around door's @ 200#
21:00	00:00	3.00	24.00	Pulled both set of rams replaced block rubber's and door gaskets

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Drill Strings

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
ENGINEER SER.	750.00	1.0

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,774	47.40	320.50	2,398	1,182.52	0.85
2,838	47.10	320.30	2,442	1,229.41	0.52
2,902	48.10	320.20	2,485	1,276.56	1.57
2,966	48.20	319.80	2,528	1,324.11	0.49
3,030	48.40	319.70	2,570	1,371.75	0.33

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/24/2008
Report # 25
DFS: 22

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
3,113	0

Operations at Report Time	Operations Next Report Period
TIH, with magnet and junk basket	TIH, work magnet, TOH,

Operations Summary

Did a full test on BOP, and choke manifold, Installed ware bushing in well head, TIH, Break circ, Wash and ream 177' to btm. On tagging btm. Bit torquing up and spiking pump psi, After 4or 5 trys to make it drill Pump sweep , Circ 2-btm's up , TOH. to look @ bit , Have magnet and junk basket and mill on location.

Remarks

Rig has no derrick hands, ave time to retrive one dropped stand of drill pipe across derrick (1 hour.) Note Flip pad shows to be 2.2" wide, 4" long, 1.2" thick , We was not for sure if it was in hole or not , Weatherford called after plug got back to shop about missing pad , Bit has no marks or scare's on it. piece missing out of bridge plug could have been lost from here to town , We had to make a clean up run with bit to make sure that we could get back to btm. before trying to run the magnet.

AFE Number	Total AFE + Sup Amount
Daily Cost Total	**Cum Cost To Date**
Daily Mud Cost	**Mud Additive Cost To Date**
Depth Start (ftKB)	**Current Depth (ftKB)**
3,113	3,113
Target Formation	**Target Depth (ftKB)**
fERRON	5,356
Time Log Total Hours (hrs)	**Problem Time Hours (hrs)**
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	3,113	8.70	47	17.0	8

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
2	3		5.6	1	8.0	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,200	9.66		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	01:00	1.00	1.00	Test pipe rams , 250 low, 2500 hi, (OK)
01:00	02:00	1.00	2.00	Test Blind rams 250 low , 2500hi, (OK)
02:00	03:00	1.00	3.00	Test choke manifold, 250 low, 2500 hi, (OK)
03:00	04:00	1.00	4.00	Test kelly valve and lines back to pumps, 250 low, 2500 hi
04:00	05:30	1.50	5.50	Function test accumlator, closeing time 52 seconds , Rig down test truck
05:30	08:00	2.50	8.00	Prep.floor for TIH and install turnbuckles on BOP.
08:00	08:30	0.50	8.50	Install ware bushing in well head
08:30	11:00	2.50	11.00	Pick up BHA, Test motor, and MWD. tools
11:00	17:00	6.00	17.00	TIH with bit # 5 on a steerable assy.
17:00	18:00	1.00	18.00	Pick up kelly and break circ @ 2936'
18:00	20:00	2.00	20.00	Work on pumps and pump motors
20:00	22:30	2.50	22.50	Wash and ream (177') 2936' to 3113' Wob.2-8k, Rpm.50, Gpm.300
22:30	23:30	1.00	23.50	Circ, While circ try to tag btm.motor stalling Diff psi spiking, Acts like junk in hole.
23:30	00:00	0.50	24.00	TOH. to ckeck out bit and look @ running back with magnet

Drill Strings

BHA #6, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
4	8 3/4in, R22AP, M32506			2.00	1,557

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,409	64	

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	3,113	3,113		0.00			300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
40	50	975.0	90	95	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
22.7	0.4	128.3	129.8	13.3

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,774	47.40	320.50	2,398	1,182.52	0.85
2,838	47.10	320.30	2,442	1,229.41	0.52
2,902	48.10	320.20	2,485	1,276.56	1.57
2,966	48.20	319.80	2,528	1,324.11	0.49
3,030	48.40	319.70	2,570	1,371.75	0.33

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	2.00	44.25

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-598-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
975.0	85	298	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
ENGINEER SER.	750.00	1.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Report Date: 10/25/2008
Report # 26
DFS: 23

Contractor: Nabors **Rig Number: 513**

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
3,113	0

AFE Number	Total AFE + Sup Amount

Operations at Report Time	Operations Next Report Period
TIH with tri-cone bit on a junk basket	TIH with bit clean up hole, make 5-10' TOH, Pick up dir tools

Daily Cost Total	Cum Cost To Date

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

TOH lay dn. dir tools, Pick up magnet TIH, work magnet. TOH, magnet recovered small piece's of metal, Pick up flat btm. mill , TIH, mill on junk for 5 hrs. Circ 2-Btm.'s up, TOH.

Depth Start (ftKB)	Current Depth (ftKB)
3,113	3,113

Target Formation	Target Depth (ftKB)
fERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Remarks

When we first tagged btm. with mill you could tell we was on junk, Rot stalled pipe torqued up hard, Fanned btm. with 1 to 2 points , Milled 3.5 of hole smooth , ran up to 30k on mill with 55 Rpm. Picked up started over (No torque) Bottom of mill shows light damage , We have ditch magnets @ end of flow line shows alot of fine metal shavings The plan is to pick up bit ,TIH and make 5 to 10' work junk basket good make sure hole is clean , TOH and pick up Dir tools.

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	44.25

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	3,113	8.60	38	17.0	8

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
2	3		6.8	1	8.0	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,200	9.07		

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-598-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	05:30	5.50	5.50	TOH. and lay dn. Dir. tools
05:30	06:00	0.50	6.00	Make up Magnet and junk basket
06:00	10:00	4.00	10.00	TIH. with magnet on a junk basket
10:00	11:00	1.00	11.00	Work junk basket 5 or 6 times, Work magnet.
11:00	11:30	0.50	11.50	Circ and service rig
11:30	14:30	3.00	14.50	TOH. with magnet, (Chain out of hole.)
14:30	20:00	5.50	20.00	TIH. with 8" flat btm. mill on a junk basket
20:00	00:00	4.00	24.00	Mill on junk in hole, made 3.5 ft. 3113' to 3117'

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Drill Strings

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		1.0
SUPER GEL		33.0
SHINK WRAP		2.0
ENGINEER SER.		1.0
PALLETS		2.0
COTTON HULLS		4.0
PAC LV		8.0
CALCIUM CARBONAT		13.0

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Curn Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,774	47.40	320.50	2,398	1,182.52	0.85
2,838	47.10	320.30	2,442	1,229.41	0.52
2,902	48.10	320.20	2,485	1,276.56	1.57
2,966	48.20	319.80	2,528	1,324.11	0.49
3,030	48.40	319.70	2,570	1,371.75	0.33

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/26/2008
Report # 27
DFS: 24

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
3,113	0

Operations at Report Time	Operations Next Report Period
Waiting on full gage mill	Run full gage mill, make clean up run with bit, or magnet

Operations Summary

Mill on junk in hole, 3113' to 3117', Circ 2-btm up, TOH, pick up bit , TIH. Ream 4' of under gaged hole, TOH. pick up magnet TIH. work magnet. After report time we have TOH with magnet (magnet is clean

Remarks

On bit run We washed to btm. and took weight right on the mark that we started milling , reamed 4' and @ the mark that we stopped milling bit torqued up and would not drill (it acted like the first time we found the junk with the bit, Cuts on outside of magnet indicate junk is against side of hole, Slaugh fishing service recomends a full gage 8 3/4 mill. @ this point thats all we can do is try to mill it up

AFE Number	Total AFE + Sup Amount
Daily Cost Total	**Cum Cost To Date**
Daily Mud Cost	**Mud Additive Cost To Date**
Depth Start (ftKB)	**Current Depth (ftKB)**
3,113	3,113
Target Formation	**Target Depth (ftKB)**
fERRON	5,356
Time Log Total Hours (hrs)	**Problem Time Hours (hrs)**
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	3,117	8.60	38	9.0	4

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
1	2		6.8	1	8.0	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,150	9.17		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	01:00	1.00	1.00	Mill on junk (3.8') 3113' to 3117'
01:00	02:00	1.00	2.00	Circ , ditch magnets catching super fine ground up metal
02:00	07:00	5.00	7.00	TOH. with mill
07:00	10:30	3.50	10.50	Pre - fab ware bushing puller, retriving tool wrong size, We are running a bit retriveable ware bushing (this type bushing is made to save not only well head but the casing too
10:30	13:00	2.50	13.00	TIH. with bit and junk basket
13:00	16:30	3.50	16.50	Rig repair, work on pumps and pump motors,
16:30	18:00	1.50	18.00	Wash to btm (50') reamed 4' of ungaged hole
18:00	19:30	1.50	19.50	TOH. with bit
19:30	23:00	3.50	23.00	Make up magnet and TIH.
23:00	00:00	1.00	24.00	Pick up kelly wash to btm. Work magnet.

Drill Strings

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,774	47.40	320.50	2,398	1,182.52	0.85
2,838	47.10	320.30	2,442	1,229.41	0.52
2,902	48.10	320.20	2,485	1,276.56	1.57
2,966	48.20	319.80	2,528	1,324.11	0.49
3,030	48.40	319.70	2,570	1,371.75	0.33

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	3.50	47.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
500.0	85	298	95

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		2.0
SOLPHALT		2.0
SUPER GEL		95.0
PALLETS		1.0
SHINK WRAP		1.0
POLY PLUS		3.0
ENGINEER SER.		1.0
CALCIUM CARBONAT		2.0
PAC LV		15.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/27/2008
Report # 28
DFS: 25

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)	AFE Number	Total AFE + Sup Amount
3,124	7		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
Working mill up & dn. @ depth of junk in hole	TOH. with mill, TIH with bit, make 5-10' , TOH. Pick up Dir tools		

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

Circ. Btm. up with magnet, TOH. (Magnet is clean) TIH. with full gage mill , Tagged @ 2722' washed and reamed (395') 2722' to 3117', Milled on junk , Made 2' ,

Depth Start (ftKB)	Current Depth (ftKB)
3,117	3,124

Target Formation	Target Depth (ftKB)
fERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Remarks

On reaming to btm. with mill, Wob. 2-20k , Rpm.60-65, From 2722' We did not have any open hole , had to ream, @ 3114' mill started taking a bite , Ditch magnets catching a lot of shaving , We have worked up and down thru depth of junk in hole with no drag , no torque, Milled 7' of new hole 3117' to 3124' , Morning tour has no derrick man, He Quit yesterday, So as soon as daylights changes out we will TOH and pick up bit, to make clean up run before picking up Dir. tools

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	47.75

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	3,117	8.60	38	9.0	4

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
1	2		6.8	1	8.0	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,150	9.17		

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	00:30	0.50	0.50	Circ btm. up with magnet.
00:30	04:00	3.50	4.00	TOH. with magnet , Magnet is clean.
04:00	13:00	9.00	13.00	Wait on 8 3/4 full gage mill , /They have to be built up @ shop to full gage
13:00	15:00	2.00	15.00	TIH. with mill, Tagged @ 2722'
15:00	22:00	7.00	22.00	Wash and ream (395') 2722' to 3117', Wob.2-5k , Rpm.60-65, Gpm.300,
22:00	00:00	2.00	24.00	Mill (2') 3117' to 3119' Wob. 20k, Rpm. 65 , Gpm.300

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
500.0	85	298	95

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Drill Strings

BHA #7, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
5	8 3/4in, full gage Mill, <SN?>	———		2.00	4

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,375	61	4

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
	3,117	3,124	7	2.00	2.00	4	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
40	50	975.0	90	95	65		

Mud Additive Amounts

Description	Cost (/unit)	Consumed
SUPER GEL		121.0
SHINK WRAP		9.0
ENGINEER SER.		1.0
PAC LV		5.0
PALLETS		21.0
CALCIUM CARBONAT		17.0

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Full gage Mill	1	8.750	2.500	3.00	
Junk basket	1	6.750	2.750	3.87	
NMDC	1	6.500	2.750	30.90	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,774	47.40	320.50	2,398	1,182.52	0.85
2,838	47.10	320.30	2,442	1,229.41	0.52
2,902	48.10	320.20	2,485	1,276.56	1.57
2,966	48.20	319.80	2,528	1,324.11	0.49
3,030	48.40	319.70	2,570	1,371.75	0.33

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/28/2008
Report # 29
DFS: 26

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)	AFE Number	Total AFE + Sup Amount
3,176	48		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
Rot. Drlg @ 3270'	Rot.Drlg and slide, Running surveys.		

Daily Mud Cost	Mud Additive Cost To Date

Depth Start (ftKB)	Current Depth (ftKB)
3,128	3,176

Target Formation	Target Depth (ftKB)
fERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Operations Summary

Mill 7' with 8 3/4 mill, Circ , TOH with mill, Pick up bit on a J.B, TIH. Wash to btm. Drlg 4' , Circ, TOH. pick up Dir tools , Install ware bushing , TIH. wash to Btm. (no fill , no torque, no Junk on Btm. Break in bit, Drlg. new formation

Remarks

On trip out with mill we recovered 1/2 of the flip pad that was lost in hole 2- piece's of metal, They was pick up in Junk basket, Bit lagged Btm. smooth, Hole was taking 20-40 bbls a hr. We have Gpm. @ min. for motor 300 gpm. Mixxing mud for vol and LCM.in sweeps. Logger's recording 322 units trip gas, Peak gas,322 units, Back ground gas, 30-35 units , Formation @ 3260' 100% shale Trace's of sand.

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	3,117	8.60	38	9.0	4

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
1	2		6.8	1	8.0	2.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,150	9.17		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	05:30	5.50	5.50	Mill with 8 3/4 Flat Btm.(7') 3117' to 3124' Wob.35k, Rpm.65, Gpm. 300
05:30	06:30	1.00	6.50	Cir 1-Btm.up, for TOH. with mill
06:30	10:30	4.00	10.50	TOH. with 8 3/4 Mill on a Junk basket
10:30	11:00	0.50	11.00	Break dn. mill and clean out Junk basket (Found 1/2 of flip pad that was lost in hole in junk basket)
11:00	13:30	2.50	13.50	Make up bit and Junk basket & TIH.on a clean out run
13:30	14:00	0.50	14.00	Wash and ream (40') 3084' to 3124' No fill
14:00	14:30	0.50	14.50	Rot Drlg.(4') 3124' to 3128' Wob.20k, Rpm.60, Gpm.300
14:30	15:00	0.50	15.00	Circ and let Drlg off, Circ Btm. up
15:00	16:30	1.50	16.50	TOH. to pick up Dir service
16:30	18:00	1.50	18.00	Make up BHA, motor, MWD. tool
18:00	20:30	2.50	20.50	Install ware bushing and TIH. with 8 3/4 Reed R-22 on a steerable assy.
20:30	21:00	0.50	21.00	Wash and ream to Btm. (44') 3084' to 3128', No fill
21:00	00:00	3.00	24.00	Rot. Drlg (48') 3128' to 3176' , Rop.16' , Wob.15-20k , Rpm.40, Gpm.300 , Diff. 150

Drill Strings

BHA #8, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
4	8 3/4in, R22AP, M32506	——		7.00	453

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,409	64	16

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	3,128	3,176	48	3.00	3.00	16	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
25	50	975.0	90	95	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
22.5	0.4	128.3	128.3	13.2

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
2,902	48.10	320.20	2,429	1,367.28	1.57
2,966	48.20	319.80	2,472	1,414.88	0.49
3,030	48.40	319.70	2,514	1,462.57	0.33
3,092	48.10	319.30	2,556	1,508.73	0.68
3,156	47.00	318.70	2,599	1,555.83	1.85

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	47.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
975.0	85	298	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
SUPER GEL		272.0
SOLPHALT		9.0
SHINK WRAP		6.0
POLY PLUS		2.0
PALLETS		6.0
PAC LV		12.0
ENGINEER SER.		1.0
CALCIUM CARBONAT		20.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/29/2008
Report # 30
DFS: 27

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
3,595	419

Operations at Report Time	Operations Next Report Period
Slide Drlg @ 3680'	Rot & Slide Drlg. and run surveys

Operations Summary

Drlg (419') 3176' to 3595' , Rot 364' Ave Rop. 25', Slide 55' Ave.Rop.12.9, Last Survey @ 3549' Inc. 47.20 , Azm.319.90, T/V depth.3010.19

Remarks

Having to ream conn for drag, String wt.78k, PU.wt 145k, SO.wt 60, Rot.wt 78k, Logger's recording Back ground gas 10-20 units, Conn gas 61 units, Peak gas 61 units.

AFE Number	Total AFE + Sup Amount
Daily Cost Total	**Cum Cost To Date**
Daily Mud Cost	**Mud Additive Cost To Date**
Depth Start (ftKB)	**Current Depth (ftKB)**
3,176	3,595
Target Formation	**Target Depth (ftKB)**
fERRON	5,356
Time Log Total Hours (hrs)	**Problem Time Hours (hrs)**
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	3,117	8.80	60	17.0	24

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
10	12		5.6	1	8.0	3.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
		98	1,400	9.96		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	04:00	4.00	4.00	Rot.Drlg & Slide (93') 3176' to 3269' Rop.23', Wob.20k, Rpm.40, Gpm.300 Diff 150
04:00	08:00	4.00	8.00	Rot.Drlg & Slide (64') 3269' to 3333' Rop.16', Wob.15k, Rpm.40,Gpm.300, Diff 100-150
08:00	12:00	4.00	12.00	Rot.Drlg.&Slide (64') 3333' to 3397' Rop.16', Wob.15k, Rpm.40, Gpm.300, Diff.100-150
12:00	16:00	4.00	16.00	Rot. Drlg. & Slide (96') 3397' to 3493' Rop.24', Wob.20k, Rpm.40, Gpm.300, Diff.150
16:00	16:30	0.50	16.50	Work tight hole on conn. @ 3557' (DBL up on torque buster and mix cotton hulls.
16:30	00:00	7.50	24.00	Rot.Drlg & Slide (102') 3493' to 3595' Rop.13.6, Wob.20k,Rpm.40, Gpm.300, Diff.150

Drill Strings

BHA #8, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
4	8 3/4in, R22AP, M32506	------		30.50	118

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,409	64	18

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Ini ROP (ft/hr)	Flow Rate (gpm)
Original Hole	3,176	3,595	467	23.50	26.50	18	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
35	50	1,150.0	90	95	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
23.0	0.4	128.3	131.3	11.4

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
3,283	47.30	319.40	2,830	1,248.12	1.58
3,347	48.00	319.10	2,874	1,295.31	1.15
3,411	47.40	318.40	2,917	1,342.50	1.24
3,475	47.40	319.30	2,960	1,389.47	1.04
3,549	47.20	319.90	3,010	1,443.74	0.65

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	47.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
1,120.0	85	298	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		2.0
SUPER GEL		304.0
SOLPHALT		16.0
SHINK WRAP		8.0
PALLETS		8.0
PAC LV		19.0
ENGINEER SER.		1.0
COTTON HULLS		83.0
CALCIUM CARBONAT		3.0
Cedar Fiber		116.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/30/2008
Report # 31
DFS: 28

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)	AFE Number	Total AFE + Sup Amount
3,986	391		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
Rot.Drlg. @ 4,090	Rot.Slide Drlg and run surveys		

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

Drlg (390') 3595' to 3985' Rot 304' Slide 86' Last survey @ 3986' Inc.46.50 Azm.323.70 T/V depth 3310.45 , Back ground gas 50-60 units , Conn gas 124 units , Peak gas 124 units Formation 100% Shale.

Remarks

We are DBL reaming conn, String wt.90k, PUwt.125-150, SO.wt 60k Conn are pulling tight but they do clean up , It would not half bad ideal to short trip to make sure hole is stab.

Depth Start (ftKB)	Current Depth (ftKB)
3,595	3,986

Target Formation	Target Depth (ftKB)
fERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	12:00	3,754	8.80	61	17.0	21

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
1	32		6.4	1	8.0	2.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,400	9.82		

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.50	48.25

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	09:00	9.00	9.00	Rot.Drlg.(123') 3595' to 3718' Rop.14 , Wob.20k,Rpm.40, Gpm.300, Diff. 150
09:00	10:00	1.00	10.00	Slide.Drlg (17') 3718' to 3735' Rop.17', Wob.40k,Gpm.300,Diff.100-150
10:00	13:00	3.00	13.00	Rot.Drlg.(46') 3735' to 3781' Rop.15', Wob.20k,Rpm.40, Gpm.300, Diff 150
13:00	14:00	1.00	14.00	Slide.Drlg (16') 3781' to 3797' Rop.16', Wob.40k, Gpm.300, Diff.100
14:00	19:00	5.00	19.00	Rot.Drlg.(112') 3797' to 3909' Rop.23' Wob.20k, Rpm.40, Gpm.300, Diff.150
19:00	19:30	0.50	19.50	Rig Repair, Work on Auto Driller
19:30	20:30	1.00	20.50	Slide.Drlg.(20') 3909' to 3929' Rop 20' Wob.40k, Gpm.300, Diff.100
20:30	00:00	3.50	24.00	Rot.Drlg(57') 3929' to 3986' Rop.16', Wob.20k, Rpm.40, Gpm.300, Diff 150-200

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Drill Strings

BHA #8, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
4	8 3/4in, R22AP, M32506			54.00	74

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,409	64	17

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	3,595	3,986	858	23.50	50.00	17	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
20	40	1,050.0	90	135	50		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
23.0	0.4	128.3	131.3	12.5

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
3,731	46.30	323.60	3,135	1,575.81	1.81
3,795	46.40	324.20	3,180	1,622.11	0.70
3,859	46.50	324.10	3,224	1,668.49	0.19
3,922	47.20	323.80	3,267	1,714.45	1.16
3,986	46.50	323.70	3,310	1,761.14	1.10

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
1,120.0	85	298	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		3.0
SUPER GEL		261.0
POLY PLUS		1.0
PAC LV		9.0
SOLPHALT		16.0
ENGINEER SER.		1.0
Cedar Fiber		24.0
POLYMER		4.0
CALCIUM CARBONAT		51.0
WALNUT SHELL		6.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 10/31/2008
Report # 32
DFS: 29

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)	AFE Number	Total AFE + Sup Amount
4,099	1,001		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
Slide,Drlg @ 4182'	Rot.Drlg and Slide and run surveys		

Operations Summary	Daily Mud Cost	Mud Additive Cost To Date
Drlg.115', Connections started dragging 50-60k over, Circ btm. up, TOH, Change out well head ware bushing , TIH.tagged tight spot @ 3681' Wash to btm.285' with no wt. on bit.		

Remarks	Depth Start (ftKB)	Current Depth (ftKB)
Logger's recording @ 4165' BGG. 40-50 Units, Conn.gas 88 Units, Trip gas. 194 units , Bit #4 Made 1001' in 58 hrs. looked good on teeth and gage, Bearing are a little loose, Changed out with a 3 type Security bit. On TOH, driller ran in to BOP with bit retriveable ware bushing , 1 1/2 hrs. to free from BOP and bushing is stuck on bit. Installed Reg. type well head ware bushing.	3,098	4,099
	Target Formation	Target Depth (ftKB)
	fERRON	5,356
	Time Log Total Hours (hrs)	Problem Time Hours (hrs)
	24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	12:00	4,099	9.00	61	15.0	12

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
8	12		5.8	1	8.0	3.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,800	9.71		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	03:00	3.00	3.00	Rot.Drlg (51') 3985' to 4036' Rop.17' Wob.20k Rpm.40, Gpm.300 Diff.150-200
03:00	06:00	3.00	6.00	Rot Drlg.(64') 4036' to 4100' Rop.21', Wob. 20, Rpm.40, Gpm.300, Diff.150-200
06:00	07:30	1.50	7.50	Circ for short trip. and check bit. Hole dragging 50-60k over string wt.
07:30	09:00	1.50	9.00	TOH. pump out with kelly, (150') 4100' to 3950'
09:00	09:30	0.50	9.50	Set kelly back and pick up elevators (New crew)
09:30	15:30	6.00	15.50	TOH on short trip to shoe.(Call was made to check bit.)
15:30	17:00	1.50	17.00	Driller ran in to bit retriveable ware bushing, 1 1/2 hrs. freeing bushing out of BOP.
17:00	18:00	1.00	18.00	Nabors safety meeting with both tours @ crew change.
18:00	22:00	4.00	22.00	Install Reg. type ware bushing and TIH with bit #5 , Tagged up @ 3681'
22:00	00:00	2.00	24.00	Wash to btm. (285') 3681' to 3966' No wt. on bit, Rpm.60 Gpm.300

Drill Strings

BHA #8, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
4	8 3/4in, R22AP, M32506	4-4-NO-A-4-0-NO-Tight hole		62.00	80

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,409	64	32

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	3,098	4,099	1,859	8.00	58.00	125	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
20	40	1,050.0	90	135	50		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
23.5	0.4	128.3	134.3	12.8

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

BHA #9, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
5	8 3/4in, EBX305, 10688832				

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,409	64	

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
	4,099	4,099		0.00			300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
20	40	1,050.0	90	125	60		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
3,795	46.40	324.20	3,180	1,622.11	0.70
3,859	46.50	324.10	3,224	1,668.49	0.19

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	48.25

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		8.0
SUPER GEL		183.0
SOLPHALT		15.0
POLY PLUS		1.0
PAC LV		11.0
ENGINEER SER.		1.0
COTTON HULLS		15.0
Cedar Fiber		7.0
CALCIUM CARBONAT		43.0
ACID		1.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
3,922	47.20	323.80	3,267	1,714.45	1.16
3,986	46.50	323.70	3,310	1,761.14	1.10
4,050	46.70	324.80	3,354	1,807.63	1.29

Marion Energy, Inc.

Daily Drilling Report

Report Date: 11/1/2008
Report # 33
DFS: 30

Contractor: Nabors **Rig Number: 513**

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB Ground Distance (ft)
10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
4,471	372

AFE Number	Total AFE + Sup Amount

Operations at Report Time	Operations Next Report Period
Depth 4473',TOH. for psi spiking /idle @ 1600 psi.	Change out motor and MWD.tools, TIH, and Drlg.

Daily Cost Total	Cum Cost To Date

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

Wash to btm. 134' Break in bit, (No fill) Total Drlg. 370' in 22.5 hrs.Rop.18.5, Rot.Drlg.310' Rop.20.2, Slide Drlg.60' Rop.13.0,

Remarks

Logger's Recorded @ 4470' BGG.20-30 Units, Conn gas. 63 Units, Peak gas. 63 Units Lag time.34.1 min, Lith. 70% Shale, 30% Sand. Fuel used in last 24 hrs. 327 gals, Fuel on hand 6642 gals.

Depth Start (ftKB)	Current Depth (ftKB)
4,099	4,471

Target Formation	Target Depth (ftKB)
fERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	12:00	4,400	9.00	61	15.0	12

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
8	12		5.8	1	8.0	3.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,800	9.71		

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	48.25

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	01:00	1.00	1.00	Wash and ream134' 3966' to 4100' Break in bit with 10k, No fill recorded
01:00	04:00	3.00	4.00	Rot.Drlg.&Slide(64') 4100' to 4164' Rop.21.3, Wob.40k, Rpm.50, Gpm.300, Diff 150
04:00	08:30	4.50	8.50	Rot.Drlg.& Slide (64') 4164' to 4228' Rop.14.2, Wob.40, Rpm.50, Gpm.300, Diff.150
08:30	13:30	5.00	13.50	Rot.Drlg.& Slide(96') 4228' to 4324' Rop.19.2, Wob.40k, Rpm.50, Gpm.300, Diff.150
13:30	18:00	4.50	18.00	Rot.Drlg.& Slide (64') 4324' to 4388' Rop.14.2, Wob.40k, Rpm.50, Gpm.300, Diff. 150
18:00	00:00	6.00	24.00	Rot.Drlg.& Slide (83') 4388' to 4470' Rop.13.8, Wob. 40k, Rpm.50, Gpm.300, Diff. 150

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Drill Strings

BHA #9, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
5	8 3/4in, EBX305, 10688832			22.50	199

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,409	64	17

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
1,025.0	85	298	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Inst ROP (ft/hr)	Flow Rate (gpm)
Original Hole	4,099	4,471	372	22.50	22.50	17	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
40	40	1,050.0	90	125	60		

Mud Additive Amounts

Description	Cost (/unit)	Consumed
WALNUT SHELL		9.0
TORK BUSTER		5.0
SUPER GEL		117.0
SOLPHALT		16.0
SHINK WRAP		8.0
PALLETS		10.0
PAC LV		9.0
ENGINEER SER.		1.0
CALCIUM CARBONAT		29.0
Transportion		1.0
POLYMER		2.0
POLY PLUS		1.0

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
23.5	0.4	128.3	134.3	12.8

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
4,114	46.30	325.00	3,398	1,854.00	0.66
4,178	48.60	326.60	3,442	1,901.11	4.04
4,242	49.70	326.90	3,484	1,949.44	1.75
4,306	51.50	327.50	3,524	1,998.80	2.90
4,369	51.00	327.60	3,564	2,047.81	0.80

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/2/2008
Report # 34
DFS: 31

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)	AFE Number	Total AFE + Sup Amount
4,559	88		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
Rot.Drlg @ 4638'	Rot.Drlg & Slide and run surveys		

Operations Summary	Daily Mud Cost	Mud Additive Cost To Date
Drlg.3' , Circ Btm. up , TOH for psi increase , Change out mud mtr. and mwd. tools, TIH, Test mtr. and tools, Wash and ream to Btm. with no fill, Total Drlg.89' , Rot.Drlg.62' Rop.15.8 , Slide.Drlg. 27' Rop.6.3		

Remarks	Depth Start (ftKB)	Current Depth (ftKB)
Logger's recorded , Trip gas 88 units, BG.gas 20-24 units, Conn.gas 59 units, Peak gas 88 units, Lith.@ 4630' 70% SH. 30% Bent.	4,471	4,559

Target Formation	Target Depth (ftKB)
fERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	16:00	4,473	9.00	47	11.0	14

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
7	15		5.8	1	7.5	4.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,600	9.59		

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.50	48.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	00:30	0.50	0.50	Rot.Drlg (3') 4470' to 4473' Wob.40k, Rpm.50, Gpm.300, Diff.150-200
00:30	01:00	0.50	1.00	Circ and chase bit for increase in psi. (Psi 1600 @ idle)
01:00	05:30	4.50	5.50	TOH. for mud motor,or plugged bit
05:30	06:00	0.50	6.00	Lay dn. MWD. tools
06:00	09:30	3.50	9.50	Break off bit, change out mud mtr. Make up bit
09:30	10:30	1.00	10.50	Service rig
10:30	11:30	1.00	11.50	TIH to shoe
11:30	12:00	0.50	12.00	Test mtr. and MWD. tools
12:00	13:30	1.50	13.50	TIH with tri-cone on steerable assy.
13:30	14:30	1.00	14.50	Break circ and wash and ream to btm. (No fill)
14:30	16:00	1.50	16.00	Rot.Drlg.(17') 4473' to 4490' Rop.11.3, Wob.40k, Rpm.40, Gpm.300, Diff 100-150
16:00	19:30	3.50	19.50	Slide.Drlg.(25') 4490' to 4515' Rop.7', Wob.40k, Gpm.300, Diff. 80
19:30	20:00	0.50	20.00	Work on Pason , Hook load not working, Pumped up Wt. Ind. Pason out of Houston came on line and re- caliberated sensors.
20:00	23:00	3.00	23.00	Rot.Drlg.(39') 4515' to 4554' Rop.13' Wob.45k, Rpm.40, Gpm.300, Diff. 80
23:00	00:00	1.00	24.00	Slide.Drlg.(5') 4554' to 4559' Rop.5' Wob.45k, Gpm.300, Diff.80

Drill Strings

BHA #9, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
5	8 3/4in, EBX305, 10688832			35.50	128

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,409	64	13

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	4,471	4,559	460	13.00	35.50	7	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
45	40	1,050.0	90	140	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
23.5	0.4	128.3	134.3	12.8

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
4,242	49.70	326.90	3,484	1,949.42	1.75
4,306	51.50	327.50	3,524	1,998.78	2.90
4,369	51.00	327.60	3,564	2,047.81	0.80
4,434	49.50	325.80	3,605	2,097.71	3.14
4,504	49.10	325.60	3,651	2,150.74	0.61

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
1,025.0	85	298	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
WALNUT SHELL		4.0
TORK BUSTER		5.0
SOLPHALT		6.0
SUPER GEL		159.0
POLY PLUS		1.0
ENGINEER SER.		1.0
COTTON HULLS		9.0
PAC LV		13.0
Cedar Fiber		14.0
CALCIUM CARBONAT		15.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Report Date: 11/3/2008
Report # 35
DFS: 32

Contractor: Nabors **Rig Number: 513**

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Current Depth (ftKB)	Depth Progress (ftKB)
4,842	283

AFE Number	Total AFE + Sup Amount

Operations at Report Time	Operations Next Report Period
@ 0:600 Rot.Drlg @ 4910'	Rot, Drlg.& Slide & Run surveys

Daily Cost Total	Cum Cost To Date

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

Total Drlg(283') 4558' to 4842' in 22.5 hrs.ave rop. 13.9, Rot.Drlg.(143') Rop.24.7,Slide Drlg.(140') Rop.9.7, Rig Repair 1.50 Ajusting drawworks brakes, Last survey @ 4818' Inc.45.40 , AZzm.333.00 , T/V depth 3861.02 ,(26' Hi, 54' Right)

Depth Start (ftKB)	Current Depth (ftKB)
4,559	4,842

Target Formation	Target Depth (ftKB)
FERRON	5,356

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Remarks

Logger's recorded B.G.gas 15-20 units, Conn gas 70 units, Peak gas 70 units, Lith @ 4842' 70% SH, 20% Bent, 10% Sand , Fuel used in last 24 hrs. 956 gals Fuel on hand 4183 gals.

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	16:00	4,710	8.80	54	15.0	16

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
6	16		5.2	1	7.5	3.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,500	9.60		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	05:00	5.00	5.00	Rot.Drlg(.81') 4558' to 4639' Rop.16.2 , Wob.40k, Rpm.40, Gpm.338, Diff.80-150
05:00	05:30	0.50	5.50	Work on Drawworks brake system & Ser. rig
05:30	10:30	5.00	10.50	Rot.Drlg.(68') 4639' to 4707' Rop.13.6, Wob.40k, Rpm.40, Gpm.338, Diff. 80-150
10:30	11:30	1.00	11.50	Ajust drawworks brakes
11:30	14:30	3.00	14.50	Rot.Drlg.(39') 4707' to 4746' Rop.13.0, Wob.40k, Rpm.40, Gpm.338, Diff. 80-150
14:30	20:30	6.00	20.50	Rot.Drlg.(64') 4746' to 4810' Rop.10.6, Wob.40k, Rpm.40, Gpm.338, Diff.80-150
20:30	00:00	3.50	24.00	Rot.Drlg.(32') 4810' to 4842' Rop.9.1 Wob.40k, Rpm.40, Gpm.338, Diff. 80-150

Drill Stringe

BHA #9, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
5	8 3/4in, EBX305, 10688832	----		58.00	84

Nozzles (/32")	String Length (ftKB)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,409	64	13

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ftKB)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	4,559	4,842	743	22.50	58.00	13	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
45	40	1,050.0	90	140	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
23.5	0.4	128.3	134.3	12.8

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6.750	2.500	26.07	
PONY NMDC	1	6.750	2.750	9.78	
NMDC	1	6.500	2.750	30.90	
UBHO	1	6.500	2.750	4.00	
NMDC	1	6.500	2.750	30.38	
HWDP	36	4.500	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4.500	2.750	23.45	
HWDP	9	4.500	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
4,434	49.50	325.80	3,605	2,097.68	3.14
4,498	49.10	325.60	3,647	2,146.18	0.67
4,562	48.00	326.70	3,689	2,194.11	2.15
4,626	47.60	328.70	3,732	2,241.41	2.40
4,690	48.80	330.90	3,775	2,288.87	3.18

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	1.00	49.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
1,235.0	91	320	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6.50	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		9.0
SUPER GEL		116.0
SOLPHALT		23.0
SHINK WRAP		12.0
POLYMER		1.0
POLY PLUS		2.0
PALLETS		10.0
PAC LV		14.0
ENGINEER SER.		1.0
COTTON HULLS		8.0
Cedar Fiber		10.0
CALCIUM CARBONAT		24.0
ACID		1.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/3/2008
Report # 36.0
DFS: 33.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)
5,097.0	255.00

Operations at Report Time	Operations Next Report Period
Circ and cond.mud for short trip @ TD.5160'	TD, Circ,Short trip, TOH, R/Csg.& Cmt.

Operations Summary

Total Drlg (257') 4842' to 5097' Ave.Rop.12.2 , Rot.Drlg.122' Rop.15.5, Slide.Drlg.135' Rop.10.3 , Circ Btm. up samples @ 5097' No shows , continue to drill.

Remarks

Logger's recorded BG.gas 20-25 units, Conn. gas 53 units, Peak gas 53 units, Lith @ 5130' 60%SS, 30%SH, 10% Siltst, Logger's have called TD. @ 5160' Last survey @ 5104' Inc.36.07 Azm.344.48 T/V depth 4116.95 (33' Hi 118' Right)

AFE Number	Total AFE + Sup Amount
Daily Cost Total	**Cum Cost To Date**
Daily Mud Cost	**Mud Additive Cost To Date**
Depth Start (ftKB)	**Depth End (ftKB)**
4,842.0	5,097.0
Target Formation	**Target Depth (ftKB)**
fERRON	5,356.0
Time Log Total Hours (hrs)	**Problem Time Hours (hrs)**
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	16:00	4,710.0	8.80	90	15.0	25.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
5.000	14.000		5.2	1	7.5	3.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,800.000	9.72		

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	49.75

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	06:00	6.00	6.00	Rot.Drlg.& Slide (64') 4842' to 4906' Rop.10.6 Wob.40k,Rpm.40, Gpm338, Diff.80-150
06:00	12:00	6.00	12.00	Rot.Drlg.& Slide(63') 4906' to 4969' Rop.10.5 Wob.40k, Rpm.40, Gpm.338, Diff.80-150
12:00	18:00	6.00	18.00	Rot.Drlg.& Slide(79') 4969' to 5048' Rop.13.1) Wob.40k, Rpm.40, Gpm.338, Diff.80-150
18:00	23:00	5.00	23.00	Rot.Drlg.& Slide(49') 5048' to 5097' Rop.9.8 Wob.40k, Rpm.40, Gpm.338, Diff.80-150
23:00	00:00	1.00	24.00	Circ Btm. @ 5097' Ordered by Mud logger's (No show)

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Drill Strings

BHA #9, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
5	8 3/4in, EBX305, 10688832			81.00	62.9

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,408.57	64	12.3

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	4,842.0	5,097.0	998.00	23.00	81.00	11.1	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
45	40	1,050.0	90	140	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
23.0	0.4	128.3	131.3	13

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6 3/4	2.500	26.07	
PONY NMDC	1	6 3/4	2.750	9.78	
NMDC	1	6 1/2	2.750	30.90	
UBHO	1	6 1/2	2.750	4.00	
NMDC	1	6 1/2	2.750	30.38	
HWDP	36	4 1/2	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4 1/2	2.750	23.45	
HWDP	9	4 1/2	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
4,945.00	42.70	337.30	3,871.00	2,763.73	3.32
4,977.00	42.00	339.10	3,894.65	2,784.81	4.38
5,009.00	41.80	341.70	3,918.47	2,805.50	5.46
5,041.00	41.60	343.60	3,942.36	2,825.90	4.00
5,073.00	40.00	344.20	3,966.58	2,845.80	5.15

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
WALNUT SHELL		1.0
TORK BUSTER		14.0
SOLPHALT		6.0
SUPER GEL		114.0
SHINK WRAP		3.0
POLY PLUS		5.0
ENGINEER SER.		1.0
PALLETS		3.0
PAC LV		13.0
CALCIUM CARBONAT		4.0
COTTON HULLS		12.0
Cedar Fiber		12.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757.0

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/4/2008
Report # 37.0
DFS: 34.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)
5,160.0	63.00

AFE Number	Total AFE + Sup Amount

Operations at Report Time	Operations Next Report Period
TIH on short trip @ intermadiate TD to LDDP&DC'S	TIH,Circ, Lay down drill string, run 7" casing & cement

Daily Cost Total	Cum Cost To Date

Operations Summary

Total Drlg.(63') 5097' to 5160' Rop.10.5, Circ Btm. up, Rig Repair, Change out drawworks brake assy. repair air lines to drum clutch, TOH, Lay down and load out Dir tools, Wait on 4 1/2 XO bit sub.

Daily Mud Cost	Mud Additive Cost To Date

Remarks

Logger's show top of Ferron sand @ 5130', Lith @ 5160' 60% SS, 30%SH, 10% SLtst, Last survey @ 5160' Inc.36.07 Azm.344.48 T/V depth 4116.95 Released Nevis Dir.Service (11-4-08) Time break down shows 1hr. wait on bit sub .Rig can not find sub, (Sub was used on all magnet and mill runs and now it's missing.)

Depth Start (ftKB)	Depth End (ftKB)
5,097.0	5,160.0

Target Formation	Target Depth (ftKB)
fERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	16:00	5,160.0	9.00	54	15.0	17.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
7.000	15.000		5.4	1	7.5	4.0

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.70		

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	10.00	59.75

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	06:00	6.00	6.00	Rot.Drlg.& Slide (63') 5097' to 5160' Rop.10.5 Wob.40k, Rpm.40, Gpm.338, Diff 80-150
06:00	07:00	1.00	7.00	Circ 2-Btm.up for short trip.
07:00	17:00	10.00	17.00	Put rig on down time for not having any brakes,(Brake handle 2" off floor with no ajustment) Waited on and changed out whole brake ajustment assy.
17:00	21:00	4.00	21.00	TOH for short trip @ TD, to shoe.
21:00	23:00	2.00	23.00	TOH to bit to lay down and release Dir service
23:00	00:00	1.00	24.00	Wait on bit sub. Rigs bit sub is missing in action,

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Drill Strings

BHA #9, Steerable

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
5	8 3/4in, EBX305, 10688832	4-4-NO-A-5-1-NO-TD		87.00	59.3

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,408.57	64	12.2

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk Off (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk Off (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,097.0	5,160.0	1,061.00	6.00	87.00	10.5	300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
45	40	1,050.0	90	140	65		

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		8.0
SUPER GEL		140.0
PALLETS		4.0
SHINK WRAP		4.0
SOLPHALT		8.0
ENGINEER SER.		1.0
COTTON HULLS		12.0
PAC LV		12.0
Cedar Fiber		7.0
CALCIUM CARBONAT		24.0

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
23.5	0.4	128.3	134.3	13

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
216.1	237.2	216.1	70.4	

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757.0

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
6 3/4" Mtr. 7/8. 5.0	1	6 3/4	2.500	26.07	
PONY NMDC	1	6 3/4	2.750	9.78	
NMDC	1	6 1/2	2.750	30.90	
UBHO	1	6 1/2	2.750	4.00	
NMDC	1	6 1/2	2.750	30.38	
HWDP	36	4 1/2	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4 1/2	2.750	23.45	
HWDP	9	4 1/2	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/5/2008
Report # 38.0
DFS: 35.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)
5,160.0	0.00

Operations at Report Time	Operations Next Report Period
Hot oiler trying to unfreeze rig	Unfreeze rig, TIH,Lay dn. 4.5 string

Operations Summary

Wait on bit sub, TIH, Try to break circ.@ 4600' , Mud line froze, Rig up circ sub off kill line and circ 6 hrs while waiting on Hot oil truck, TOH. to 9 5/8 shoe, Drain mud lines and try to unfreeze rig.

Remarks

Nabors has had a month to get boiler rigged up and has not made any attempt to get it on line, Rig will be on down time until we are back to circ @ 4600' deep for lay down of 4.5 drill string., Boiler mech spent 1 1/2 hours on location and said he had a emergency on another rig, Boiler is still not working. Need circ fans.

AFE Number	Total AFE + Sup Amount
Daily Cost Total	**Cum Cost To Date**
Daily Mud Cost	**Mud Additive Cost To Date**
Depth Start (ftKB)	**Depth End (ftKB)**
5,160.0	5,160.0
Target Formation	**Target Depth (ftKB)**
fERRON	5,356.0
Time Log Total Hours (hrs)	**Problem Time Hours (hrs)**
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	16:00	5,160.0	9.00	54	15.0	17.000
Gel (10s) (lbf/100ft²)	**Gel (10m) (lbf/100ft²)**	**Gel (30m) (lbf/100ft²)**	**Filtrate (mL/30min)**	**Filter Cake (/32")**	**pH**	**Solids (%)**
7.000	15.000		5.4	1	7.5	4.0
MBT (lb/bbl)	**Percent Oil (%)**	**Percent Water (%)**	**Chlorides (mg/L)**	**ECD - Manual Entr...**	**Calcium (mg/L)**	**Electric Stab (V)**
			1,850.000	9.70		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	04:00	4.00	4.00	Wait on bit sub
04:00	09:00	5.00	9.00	TIH on slick assy. for lay down
09:00	15:00	6.00	15.00	Rig froze up, Circ thru.circ sub @ 4500' , After trying to break circ on TIH.
15:00	18:00	3.00	18.00	TOH to rig up hot oiler truck to unfreeze mud line
18:00	00:00	6.00	24.00	Work on unfreezing rig.

Drill Strings

BHA #10, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
5	8 3/4in, EBX305, 10688832			87.00	59.3
Nozzles (/32")		**String Length (ft)**	**String Wt (1000lbf)**	**BHA ROP (ft/hr)**	
		1,310.44	55		

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
	5,160.0	5,160.0		0.00			281
WOB (1000lbf)	**RPM (rpm)**	**SPP (psi)**	**Drill Str Wt (100...**	**PU Str Wt (100...**	**SO Str Wt (100...**	**Drilling Torque**	**Off Btm Tq**
0	0	800.0	90	140	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	6 1/2	2.750	3.00	
HWDP	36	4 1/2	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4 1/2	2.750	23.45	
HWDP	9	4 1/2	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	15.00	74.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00
Liner Size (in)		**Vol/Stk OR (bbl/stk)**
6 1/2		0.088
Pres (psi)	**Strokes (sp...**	**Q (gpm)**	**Eff (%)**
800.0	80	281	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00
Liner Size (in)		**Vol/Stk OR (bbl/stk)**
6 1/2		0.088
Pres (psi)	**Strokes (sp...**	**Q (gpm)**	**Eff (%)**

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		5.0
SOLPHALT		12.0
SUPER GEL		30.0
SHRINK WRAP		1.0
POLY PLUS		2.0
PALLETS		1.0
PAC LV		6.0
ENGINEER SER.		1.0
COTTON HULLS		6.0
Cedar Fiber		6.0
CALCIUM CARBONAT		29.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757.0

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/6/2008
Report # 39.0
DFS: 36.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)	AFE Number	Total AFE + Sup Amount
5,160.0	0.00		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
Laying dn. 4.5 drill string,Bit depth 4800'	Lay dn. 4.5 string, change out pipe rams, run 7"Csg and Cement		

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

Unthaw stand pipe in derrick 8 hrs., Unthaw mud lines and mud pumps, 7hrs, Rig pumps and lines back up 3 hrs, Pick up kelly and break circ 1/2 hr, Drain mud lines to TIH. 1 hr, TIH. 2 hrs, Wash and ream to btm. 150' 2 1/2 hrs.(No fill on btm.)

Remarks

Rig was turned back over to day work @ 21:30, Thats when rig was back to depth @ time of Nabors rig failure, Started laying down drill string @ 04:30 11-7-08 Mud Engr. wants mud properties 60 vis, 4 WL before starting out of hole.

Depth Start (ftKB)	Depth End (ftKB)	Target Formation	Target Depth (ftKB)
5,160.0	5,160.0	fERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lb/100ft²)
Water Base	02:00	5,160.0	8.80	57	15.0	11.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
5.000	15.000		6.0	1	7.5	3.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.42		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	15:00	15.00	15.00	Thaw out standpipe and mud lines with hot oil truck
15:00	18:00	3.00	18.00	Rig up mud pumps and mud lines, hook up standpipe and kelly hose
18:00	18:30	0.50	18.50	Break circ @ 9 5/8 shoe,
18:30	19:30	1.00	19.50	Blow air down standpipe and mud lines to TIH to LDDP. & HWDP.
19:30	21:30	2.00	21.50	TIH.from 750' to 5010'
21:30	00:00	2.50	24.00	Wash and ream (150') 5010' to 5160' Wob.2k, Rpm.60, Gpm 300, No fill , Hole acts clean.

Drill Strings

BHA #10, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
5	8 3/4in, EBX305, 10688832	-----		87.00	59.3

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,310.44	55	

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,160.0	5,160.0		0.00			300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
0	0	800.0	90	140	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)
23.0	0.4	128.3	131.3	16

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)
196.9	214.3	196.9	68.2	

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	6 1/2	2.750	3.00	
HWDP	36	4 1/2	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4 1/2	2.750	23.45	
HWDP	9	4 1/2	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	18.00	92.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
800.0	86	302	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		2.0
SUPER GEL		89.0
PAC LV		1.0
ENGINEER SER.		1.0
COTTON HULLS		17.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Surface 9 5/8, 36#	10/4/2008	757.0

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/7/2008
Report # 40.0
DFS: 37.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)
5,160.0	0.00

AFE Number	Total AFE + Sup Amount

Operations at Report Time	Operations Next Report Period
Nippling dn. BOP to set slips on 7"	Rig up air package, Pre-fab,flowline, pick up slim hole string

Daily Cost Total	Cum Cost To Date

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

Circ on Btm. for lay dn., Lay dn. DP & HWDP, 30 min safety meeting with third party crews, Ran 141 Jts 7" 23# K-55 set @ 5154' , Cement with 120 sx. Lead slurry Wt.11#, Tail with 90sx Slurry Wt. 14.2, Circ 5 bbls to pits.

Remarks

Lead 130 sx. 16% gel, 390 salt, 3 # sk GR-3 1/4 #/sk flocele, 10# / sk gilsonite , Tail 90 sk, 50/50 poz, 10% salt (BWOW) .2% CDI-33, .290CFI-175 , Circ 5 BBLS to pits.

Depth Start (ftKB)	Depth End (ftKB)
5,160.0	5,160.0

Target Formation	Target Depth (ftKB)
FERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	02:00	5,160.0	8.80	57	15.0	11.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
5.000	15.000		6.0	1	7.5	3.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.42		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	04:30	4.50	4.50	Circ for lay dn. of 4.5 drill string. Build 60 Vis, 4 WL.
04:30	06:00	1.50	6.00	Blow dn. std pipe, Drain mud lines
06:00	12:30	6.50	12.50	Lay dn. 4.5 drill string. Break kelly and subs.
12:30	13:00	0.50	13.00	Post job safety meeting with, LDmachine, Csg.crew & Rig crew
13:00	14:00	1.00	14.00	Rig casing crew, Change out 4.5 to 7" rams
14:00	23:00	9.00	23.00	Ran 141 Jts 7" 23# K-55 casing. Set @ 5,154'
23:00	00:00	1.00	24.00	Circ and rig dn. casing crew and LD. Machine

Drill Strings

BHA #10, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
5	8 3/4in, EBX305, 10688832	4-4-no-a-5-1-no-TD		87.00	59.3

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,337.82	58	

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Ini ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,160.0	5,160.0		0.00			300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
45	40	800.0	90	140	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	6 1/2	2.750	30.38	
HWDP	36	4 1/2	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4 1/2	2.750	23.45	
HWDP	9	4 1/2	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	92.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
800.0	86	302	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		5.0
SUPER GEL		53.0
SOLPHALT		10.0
SHINK WRAP		30.0
POLY PLUS		1.0
PALLETS		21.0
PAC LV		7.0
MICA		13.0
LIME		2.0
ENGINEER SER.		1.0
COTTON HULLS		12.0
CALCIUM CARBONAT		20.0
Mil-Bar		45.0
SODA ASH		5.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,154.0

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/7/2008
Report # 40.0
DFS: 37.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)
5,160.0	0.00

AFE Number	Total AFE + Sup Amount

Operations at Report Time
Nippling dn. BOP to set slips on 7"

Operations Next Report Period
Rig up air package, Pre-fab,flowline, pick up slim hole string

Daily Cost Total	Cum Cost To Date

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary
Circ on Btm. for lay dn., Lay dn. DP & HWDP, 30 min safety meeting with third party crews. Ran 141 Jts 7" 23# K-55 set @ 5154', Cement with 120 sx. Lead slurry Wt.11#, Tail with 90sx Slurry Wt. 14.2, Circ 5 bbls to pits.

Depth Start (ftKB)	Depth End (ftKB)
5,160.0	5,160.0

Remarks
Lead 130 sx. 16% gel, 390 salt, 3 # sk GR-3 1/4 #/sk flocele, 10# / sk gilsonite , Tail 90 sk, 50/50 poz, 10% salt (BWOW) .2% CDI-33, .290CFI-175 , Circ 5 BBLS to pits.

Target Formation	Target Depth (ftKB)
FERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	02:00	5,160.0	8.80	57	15.0	11.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
5.000	15.000		6.0	1	7.5	3.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.42		

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	92.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9871
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	04:30	4.50	4.50	Circ for lay dn. of 4.5 drill string. Build 60 Vis, 4 WL.
04:30	06:00	1.50	6.00	Blow dn. std pipe, Drain mud lines
06:00	12:30	6.50	12.50	Lay dn. 4.5 drill string. Break kelly and subs.
12:30	13:00	0.50	13.00	Post job safety meeting with, LDmachine, Csg.crew & Rig crew
13:00	14:00	1.00	14.00	Rig casing crew, Change out 4.5 to 7" rams
14:00	23:00	9.00	23.00	Ran 141 Jts 7" 23# K-55 casing. Set @ 5,154'
23:00	00:00	1.00	24.00	Circ and rig dn. casing crew and LD. Machine

Drill Strings

BHA #10, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
5	8 3/4in, EBX305, 10688832	4-4-no-a-5-1-no-TD		87.00	59.3

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,337.82	58	

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,160.0	5,160.0		0.00			300

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
45	40	800.0	90	140	65		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	6 1/2	2.750	30.38	
HWDP	36	4 1/2	2.750	1,099.00	
Drilling Jars - Hydraulic	1	4 1/2	2.750	23.45	
HWDP	9	4 1/2	2.750	183.99	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
800.0	86	302	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		5.0
SUPER GEL		53.0
SOLPHALT		10.0
SHINK WRAP		30.0
POLY PLUS		1.0
PALLETS		21.0
PAC LV		7.0
MICA		13.0
LIME		2.0
ENGINEER SER.		1.0
COTTON HULLS		12.0
CALCIUM CARBONAT		20.0
Mil-Bar		45.0
SODA ASH		5.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,154.0

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/8/2008
Report # 41.0
DFS: 38.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Depth End (ftKB)	Depth Progress (ft)
5,160.0	0.00

Operations at Report Time	Operations Next Report Period
Moving 3.5 DP to racks,Rigging up LD. machine	Pick up slim hole assy, stage in blowing hole , Air drill.

Operations Summary

Circ, Cement 7" casing, Nipple dn.set slips, Nipple up, Change out kellys and subs, Rig up pipe racks and move in 3.5 DP.

Remarks

Did not finish up pre- fab flow line for air drilling, Welder went in until daylight,(cold, wet, and dark,) Need 2" bypass for air, Holes cut in floor for 2" air lines, Re-place dresser sheeve so flow line is solid, to be ready to start picking up slim hole assy.

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

AFE Number	Total AFE + Sup Amount

Daily Cost Total	Cum Cost To Date

Daily Mud Cost	Mud Additive Cost To Date

Depth Start (ftKB)	Depth End (ftKB)
5,160.0	5,160.0

Target Formation	Target Depth (ftKB)
FERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	02:00	5,160.0	8.80	57	15.0	11.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
5.000	15.000		6.0	1	7.5	3.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.42		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	02:00	2.00	2.00	Circ Casing on btm., rig dn.casing crew & LD.machine, move pipe racks, to rig up cement trucks
02:00	04:00	2.00	4.00	Cement 7" casing. with 130 sx Lead 90 sx. tail. Circ 5 bbls to pits.
04:00	09:00	5.00	9.00	Nipple dn. BOP
09:00	11:30	2.50	11.50	Set slips and cut off 7" casing
11:30	18:30	7.00	18.50	Nipple up BOP
18:30	22:30	4.00	22.50	Change out kellys
22:30	00:00	1.50	24.00	Move racks and put 3 1/2 DP. on racks

Drill Strings

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	92.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
ENGINEER SER.	750.00	1.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,154.0

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/9/2008
Report # 42.0
DFS: 39.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)	AFE Number	Total AFE + Sup Amount
5,160.0	0.00		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
TIH, with 6 1/8 bit,	TIH drying up as we go, air drill to 5500'		

Daily Mud Cost	Mud Additive Cost To Date
3[illegible]	

Depth Start (ftKB)	Depth End (ftKB)
5,160.0	5,160.0

Target Formation	Target Depth (ftKB)
FERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Operations Summary

Move dp. to main racks and rig up new kelly and bushing for slim hole , Rig repair,(14 hrs.) Work on tong weight buckets and air hoist, made new hanging cable for pipe spinner's and snub lines, Pick up 3 1/2 dp with LD. machine 2 hrs.

Remarks

Boiler will not stay running, toolpusher and crews spend most of the day running back and forth working on it, The cold has slowed things down.from the roughneck to the welder's to the vendar's, Air jammer's say 4 hrs. to blow to btm. 6-8 to drill 340' (BHA Wt. 40k)

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	14.00	108.75

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	5,160.0	8.80	57	15.0	11.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
5.000	15.000		6.0	1	7.5	3.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.42		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	03:00	3.00	3.00	Move 3 1/2 DP on to main racks, Pick up slim hole kelly and bushings.
03:00	08:00	5.00	8.00	Rig up Floor to pick up 3 1/2 DP , Rig up LD machine to pick up slim hole assy.
08:00	17:30	9.50	17.50	Work on tong weights,
17:30	22:00	4.50	22.00	Work on pipe spinner hanger, and air hoist.
22:00	00:00	2.00	24.00	TIH on air, blowing hole dry every 1000'

Drill Strings

BHA #11, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
6	6 1/8in, R22ap, MP5052				

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,296.21	17	

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,160.0	5,160.0		0.00			0

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
30	60	800.0	44	44	43		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	3 1/2	2.764	3.05	
HWDP	42	3 1/2	2.764	1,293.16	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk Off (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk Off (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
ENGINEER SER.	750.00	1.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,154.0

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/10/2008
Report # 43.0
DFS: 40.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)	AFE Number	Total AFE + Sup Amount
5,160.0	0.00		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
Air drlg 6 1/8 hole @ 5285'	Air drill to 5500'		

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

TIH, Unloading hole every 1000', Tag cement plug @ 5118' , blowed hole dry 6 hrs. pump soap sweeps trying to dry up hole to dust, Fowing 2 /12" stream water @ bouy line, Started mist drilling with 3-compressor 1- bster for 2200 cfm @ 260 psi., 15 gals water pre-hr.

Remarks

Logger's recorded @ 5237' Back ground gas 80 units, Conn gas 120-130 units, Trip gas 340 units, Peak gas 340 units Lith 80% SS. 10% SH. 10% SLtst.

Depth Start (ftKB)	Depth End (ftKB)	Target Formation	Target Depth (ftKB)
5,160.0	5,160.0	FERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	5,160.0	8.80	57	15.0	11.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
5.000	15.000		6.0	1	7.5	3.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.42		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	05:00	5.00	5.00	Stage in hole blowing hole dry every 1000'
05:00	06:00	1.00	6.00	Rig Repair , Work on pipe spinner's
06:00	14:00	8.00	14.00	Stage in hole blowing hole dry every 1000'
14:00	14:30	0.50	14.50	Rig dn. LD machine
14:30	21:00	6.50	21.00	Blow hole dry with 2200 cfm @ 260 psi , flowing 2" stream of water @ bouy line.
21:00	23:00	2.00	23.00	Drill cement plug & float collar, Tagged cement @ 5118'
23:00	00:00	1.00	24.00	Circ and blow hole dry.

Drill Strings

BHA #11, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
6	6 1/8in, R22ap, MP5052	------			

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,296.21	17	

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,160.0	5,160.0		0.00			0

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
30	60	800.0	44	44	43		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	3 1/2	2.764	3.05	
HWDP	42	3 1/2	2.764	1,293.16	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	1.00	107.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

#1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

#2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
ENGINEER SER.	750.00	1.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,154.0

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/11/2008
Report # 44.0
DFS: 41.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)
5,500.0	340.00

AFE Number	Total AFE + Sup Amount

Operations at Report Time	Operations Next Report Period
Work stuck pipe @ 5410'	Un stick pipe, clean up hole and log well

Daily Cost Total	Cum Cost To Date

Operations Summary

Circ and try to dry up hole, Start Mist Drlg. made 340' in 8 hrs. Rop.42.5, Circ. Short trip to shoe, @ report time Washing and reaming to btm.

Daily Mud Cost	Mud Additive Cost To Date

Remarks

While Drilling , hole was loading up with water, after working thru. tight spots hole cleanned up, @ TD, hole acted clean, normal psi. no drag, Had to use air on first 2 Jts to get off btm. on short trip. After report time, @ 1:00 am, tagged @ 5349' on TIH. on short trip for logs, Picked up kelly started washing back to btm. unloading hole, @ 5410' hole fell in , (stuck pipe) no free spot, 800 # psi. Called for wl truck and fishermen @ 3:30 am.

Depth Start (ftKB)	Depth End (ftKB)
5,160.0	5,500.0

Target Formation	Target Depth (ftKB)
FERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	5,300.0	8.80	57	15.0	11.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
5.000	15.000		6.0	1	7.5	3.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.42		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	02:00	2.00	2.00	Circ, try to blow hole dry, change over to mist @ 15 gals a min.water with 2200 cfm. 260 psi
02:00	02:30	0.50	2.50	Mist Drlg.(46') 5160' to 5206' Wob.20k Rpm.60 , 3-comp, 1-bster, 2200 cfm.@ 260 psi
02:30	03:00	0.50	3.00	Service rig.
03:00	03:30	0.50	3.50	Mist Drlg.(31') 5206' to 5237' Wob.20k, Rpm.60, 3-comp, 1-bster, 2200 cfm.@ 260 psi
03:30	05:00	1.50	5.00	Wash & ream thru. tight spot @ 5206' Hole unloading water, psi up to 600#.
05:00	06:00	1.00	6.00	Mist Drlg.(65') 5237' to 5302' Wob.20k, Rpm.60, 3-comp, 1-bster, 2200 cfm. @ 400 psi.
06:00	12:30	6.50	12.50	Wash and ream, Work tight hole @ 5250'
12:30	15:00	2.50	15.00	Mist Drlg.(95') 5302' to 5397' Wob.25k, Rpm.60, 3-Comp.1-bster, 2200 cfm. @ 400 psi
15:00	15:30	0.50	15.50	Work pipe for psi spike, plugged jet, (psi 500, came unplugged all @ once. 260 psi.
15:30	19:00	3.50	19.00	Mist Drlg.(103') 5397' to 5500' Wob.25k, Rpm.60, 3-comp 1-bster, 2200 cfm. @ 260psi
19:00	19:30	0.50	19.50	Blow hole dry for short trip to shoe
19:30	22:00	2.50	22.00	TOH.on short trip to shoe, Had to use air to pump 2 Jts off btm. On TIH. taggged @ 5349'
22:00	00:00	2.00	24.00	Wash & ream 5349' to 5410'

Drill Strings

BHA #11, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
6	6 1/8in, R22ap, MP5052	-----		8.00	42.5

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,296.21	17	42.5

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,160.0	5,500.0	340.00	8.00	8.00	42.5	0

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
25	60	260.0	85	105	75		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	3 1/2	2.764	3.05	
HWDP	42	3 1/2	2.764	1,293.16	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	107.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9871
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
ENGINEER SER.	750.00	1.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,154.0

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/12/2008
Report # 45.0
DFS: 42.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
43007312100000		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)
5,500.0	

AFE Number	Total AFE + Sup Amount

Operations at Report Time	Operations Next Report Period
Slip and cut Drlg line 350' (cut pass due)	Free stuck pipe, Clean up hole for logs.

Daily Cost Total	Cum Cost To Date

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

Wash and ream 60' to btm. @ 5410' stuck drill string, Worked stuck pipe for 3 hrs. Called free point truck, Rig up and spent 12.5 hrs. to run free point, Made back off shot @ 5062' , 92' up inside 7" casing, TOH with dp.to pick up Jars and screw in sub.

Depth Start (ftKB)	Depth End (ftKB)
5,500.0	5,500.0

Target Formation	Target Depth (ftKB)
FERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Remarks

We are stuck @ bit, Plans is to jar down with small amount of psi until we can get psi to channel thru sand. When last drlg @ 5500' Logger's recorded Back ground gas.400-1200units, Conn gas.1200-10,000 units, Down time gas.10,000 units, Lith.@ 5500' 90%SS, 5% Coal, 5% SH (Since we have been out of hole logger's are carrying 100-200 units of back ground gas.)

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	107.75

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	5,500.0	8.80	57	15.0	11.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
5.000	15.000		6.0	1	7.5	3.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.42		

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	03:30	3.50	3.50	Working tight hole @ 5409' on washing & reaming to btm.
03:30	08:30	5.00	8.50	Working stuck pipe @ 5410' Hole packed off, can not circ.
08:30	10:00	1.50	10.00	Remove bull plug from goose neck on swivel
10:00	10:30	0.50	10.50	Post job safety meeting with rig crew & wl truck crew & fishermen
10:30	11:30	1.00	11.50	Rig up free point truck
11:30	14:30	3.00	14.50	Run free point tools, ran free point tool 6 times, making ajustment on bow sping from 4" to 2 1/2, to get to btm.
14:30	15:30	1.00	15.50	Ran 1 3/4 spud bar tool, Tag btm. @ 5407'
15:30	19:00	3.50	19.00	Ran Free point tools , Tight going in, Free coming up
19:00	20:00	1.00	20.00	Free point shows 100% stuck @ 5407' 60% @ 5383' & free @ 5357', TOH with tools
20:00	21:00	1.00	21.00	Re-build pop off valve on # 1 pump. Pump 7bbls mud in dp. for back off
21:00	23:30	2.50	23.50	Ran in hole with back off shot, Back off string @ 5062'
23:30	00:00	0.50	24.00	TOH, to pick up Jars and screw-in sub

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk Off (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk Off (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Drill Strings

BHA #11, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
6	6 1/8in, R22ap, MP5052			8.00	42.5

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,296.21	20	42.5

Mud Additive Amounts

Description	Cost (/unit)	Consumed
ENGINEER SER.	750.00	1.0

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,500.0		340.00		8.00		0

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (160...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
25	60	260.0	85	105	75		

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,154.0

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ Bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	3 1/2	2.764	3.05	
HWDP	42	3 1/2	2.764	1,293.16	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/13/2008
Report # 46.0
DFS: 43.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
43007312100000		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)	AFE Number	Total AFE + Sup Amount
5,500.0	0.00		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
Pulled up in shoe tighten quill pin on kelly	Trip to btm. Then short trip to shoe, run elect logs		

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

Run back off shot, TOH, Slip and cut drlg line, TIH with screw in assy. Jar pipe free, TOH, change out bit pick up drilling Jars TIH.

Depth Start (ftKB)	Depth End (ftKB)
5,500.0	5,500.0

Target Formation	Target Depth (ftKB)
FERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Remarks

Bit #6 Reed R22 made 340' in 8hrs. Graded out FC/ two locked up cones/ in gage, On clean out run picked up kelly 4 Jts. off btm. bring air on line and found quill pin sub between swivel and kelly backed off, Tighten it by hand set kelly back and pulled to shoe to tighten and torque sub.

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lb/100ft²)
Water Base	14:00	5,500.0	8.70	30	5.0	2.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
1.000	1.000		6.0	1	7.5	2.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.03		

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	107.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	03:00	3.00	3.00	TOH. to pick up Jars and screw in sub
03:00	07:00	4.00	7.00	Slip and cut 300' drlg. line
07:00	11:00	4.00	11.00	Pick up screw in assy. and TIH
11:00	13:00	2.00	13.00	Pick up 18Jts dp. off rack to make up for the first 3 stand out of hole (bent and over torqued to the point of swelled boxs.
13:00	14:00	1.00	14.00	Screw in to fish and jar free, (setting jars off @ 60k over
14:00	21:00	7.00	21.00	TOH. with fish
21:00	00:00	3.00	24.00	Change out bit, Pick up 4 3/4 drilling jars.and TIH.

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Drill Strings

BHA #12, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
7	6 1/8in, SL53AP, CL4108				

Nozzles (/32")

String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
1,318.45	33	

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,500.0	5,500.0		0.00			0

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
25	60	260.0	85	105	75		

Mud Additive Amounts

Description	Cost (/unit)	Consumed
ENGINEER SER.	750.00	1.0

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,154.0

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	3 1/2	2.764	3.05	
HWDP	36	3 1/2	2.063	1,105.20	
Drilling Jars - Mechanical	1	3 1/2	2.764	25.50	
HWDP	6	3 1/2	2.063	184.20	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/14/2008
Report # 47.0
DFS: 44.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
043-007-31210		Utah	NWSE Sec 29, T13S, R7E

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)
5,500.0	0.00

AFE Number	Total AFE + Sup Amount

Operations at Report Time	Operations Next Report Period
TIH to shoe while waiting on order's	TIH on clean out run, Lay dn. string, Nipple - dn. BOP,to release rig.

Daily Cost Total	Cum Cost To Date

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary
TIH, Rig repair 3 hrs. work on swivel, Wash & ream 120' to btm, Circ, TOH for logs. Held safety meeting with logger's, Log well

Depth Start (ftKB)	Depth End (ftKB)
5,500.0	5,500.0

Target Formation	Target Depth (ftKB)
FERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.50	

Remarks
Logger's tag @ 5213' Logs show 7" casing set @ 5113' not 5154' made corr, Note. There no excuse Found missing Jt. of casing mixxed in with bad Jts. ? Casing was moved 3 times and 4 bad Jts. was found back on rack while running casing, Mud Logger shows BGG.500 - 1800 Units, Peak gas 5205 Units. Lith @ 5500' 90% Sand, 10% Coal

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	4.00	111.75

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	5,500.0	8.70	30	5.0	2.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
1.000	1.000		6.0	1	7.5	2.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.03		

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	03:30	3.50	3.50	TIH on clean out run for logs
03:30	06:30	3.00	6.50	Re-tighten and torque quill pin on swivel, (backed out on connection twice.)
06:30	07:30	1.00	7.50	Pick up kelly @ 5430' Hole trying to pack off
07:30	08:30	1.00	8.50	Weld nipple on stand pipe(leaking)
08:30	14:30	6.00	14.50	Wash and ream 5290' to 5500 , Hole trying to pack off, air psi. up from 260 to 800 psi
14:30	15:00	0.50	15.00	Circ on btm. blow hole clean , String wt.85k, pu.135k, so.60k
15:00	18:30	3.50	18.50	Short trip to shoe, Pumped 120' off btm. with air (steady drag)
18:30	22:00	3.50	22.00	TOH for logs
22:00	23:30	1.50	23.50	Waiting Weatherford logging truck
23:30	00:00	0.50	24.00	Safety meeting with rig crew and logging crew
00:00	00:30	0.50	24.50	Log well with weatherford . After report time Logger's Tag @ 5213'

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Drill Strings

BHA #12, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
7	6 1/8in, SL53AP, CL4108				

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,318.45	33	

Mud Additive Amounts

Description	Cost (/unit)	Consumed
ENGINEER SER.	750.00	1.0

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,500.0	5,500.0		0.00			0

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
25	60	260.0	85	105	75		

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,113.0

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	3 1/2	2.764	3.05	
HWDP	36	3 1/2	2.063	1,105.20	
Drilling Jars - Mechanical	1	3 1/2	2.764	25.50	
HWDP	6	3 1/2	2.063	184.20	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 512**

Report Date: 11/15/2008
Report # 46
DFS: 45.5

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location
043-007-31210		Utah	NWSE Sec 29, T13S, R7E

Depth End (ftKB)	Depth Progress (ft)
5,500.0	

Operations at Report Time	Operations Next Report Period
Washing & reaming to btm. @ 5460'	Wash to btm. and drlg 125'

Operations Summary

Log well , TIH, Wash & ream to 5460', Circ, TOH to shoe for lay dn., Received order's to deeping well to 5625' (125') Set @ shoe and cond mud in steel pits before loading hole,

Remarks

Operation @ 6:00am reaming tight spot @ 5460', Mud Wt, 8.7, Vis 55, WL. 6.4,(Not loosing any mud to hole.)

Spud Date	KB-Ground Distance (ft)
10/2/2008	25.00
AFE Number	Total AFE + Sup Amount
Daily Cost Total	Cum Cost To Date
Daily Mud Cost	Mud Additive Cost To Date
Depth Start (ftKB) 5,500.0	Depth End (ftKB) 5,500.0
Target Formation FERRON	Target Depth (ftKB) 5,356.0
Time Log Total Hours (hrs) 24.00	Problem Time Hours (hrs)

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	5,500.0	8.70	55		33.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
1.000	1.000		6.4	1	7.5	2.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.03		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	06:00	6.00	6.00	Log well (tri-comb) Array induction log, compensated photo density, compensated dual neutron log , Logger's tagged @ 5213' (Pulling 2500 over to get back out of tight spot.)
06:00	10:30	4.50	10.50	TIH on clean out run before laying drill string
10:30	15:00	4.50	15.00	Wash & ream to btm. on air , 5380' to 5460', Hole packing off spiking air psi from 300 to 900# trying to stick pipe.
15:00	15:30	0.50	15.50	Blow hole and work pipe
15:30	17:00	1.50	17.00	TOH to shoe , Change out rot rubber on rot head
17:00	00:00	7.00	24.00	Received order's to deeping well by 125', New TD 5625' Switching over to mud system, Cond mud in steel pits before loading hole.

Drill Strings

BHA #12, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
7	6 1/8in, SL53AP, CL4108				

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,318.45	33	

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,500.0						0

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq
25	60	260.0	85	105	75		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	3 1/2	2.764	3.05	
HWDP	36	3 1/2	2.063	1,105.20	
Drilling Jars - Mechanical	1	3 1/2	2.764	25.50	
HWDP	6	3 1/2	2.063	184.20	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.76	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	111.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
850.0	86	302	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
ENGINEER SER.	750.00	1.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,113.0

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/16/2008
Report # 49
DFS: 46.1

Well Name: Oman 10-20

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
043-007-31210		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)	AFE Number	Total AFE + Sup Amount
5,509.0	9.00		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
Rigging dn. LD. machine to start N-dn. bop	N-dn. bop , Cap well head, Jet and clean pits, Release rig		

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

Cond mud, Load hole, wash & ream to btm. Drlg 9' , plugged bit, TOH to shoe chase bit, Orded to shut dn. drilling , Rig up for lay dn. Layed dn. drill string.

Remarks

After loading hole we tripped back to btm. and worked thru. tight spot @ 5460' Hole acted clean, Drlg 9' hole packed off blowing nail which plugged bit, After plugging bit there was to much psi to bring air on line with the mud, The call was made to shut dn. drilling.

Depth Start (ftKB)	Depth End (ftKB)	Target Formation	Target Depth (ftKB)
5,500.0	5,509.0	FERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)
Water Base	14:00	5,509.0	8.70	55		33.000

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)
1.000	1.000		6.4	1	7.5	2.5

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)
			1,850.000	9.03		

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	02:00	2.00	2.00	Cond mud in steel pits before loading hole
02:00	03:30	1.50	3.50	Load hole from shoe @ 5113', 81BBLS to circ
03:30	07:00	3.50	7.00	TIH to drlg 125', Order's are to deeping hole to 5625'
07:00	09:30	2.50	9.50	Wash & ream from 5460' to 5500'
09:30	10:00	0.50	10.00	Drlg (9') 5500' to 5509' Wob.25k Rpm.60, Gpm.280
10:00	11:30	1.50	11.50	Work tight hole, Hole packed off while drilling, Blowed pop off nail and stuck pipe, Jarred free , max pull 120k over, set jars off @ 60k over
11:30	12:00	0.50	12.00	TOH to shoe for spiked pump psi, Pump ilding @ 1100# @ 55 stks.
12:00	13:00	1.00	13.00	Pick up kelly & and try to clear bit,
13:00	14:00	1.00	14.00	Work on air line to drum clutch
14:00	14:30	0.50	14.50	Ser. rig & blow dn. kelly and mud lines, Rig dn. Air equi
14:30	16:30	2.00	16.50	Lay dn. DP out of v-door and off racks, Wait on LD. machine
16:30	17:00	0.50	17.00	P.J.S.M with rig crew & LD. machine crew
17:00	18:00	1.00	18.00	Rig up LD. machine to lay dn. slim hole string
18:00	00:00	6.00	24.00	Lay dn. DP.

Drill Strings

BHA #12, Slick

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...
7	6 1/8in, SL53AP, CL4108	2-2-no-a-2-1-no-TD-Well		0.50	11,018.0

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)
	1,318.45	33	18.0

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)
Original Hole	5,500.0	5,509.0	9.00	0.50	0.50	18.0	0

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Trq
25	60	800.0	85	105	75		

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread
Bit Sub	1	3 1/2	2.764	3.05	
HWDP	36	3 1/2	2.063	1,105.20	
Drilling Jars - Mechanical	1	3 1/2	2.764	25.50	
HWDP	6	3 1/2	2.063	184.20	

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	1.00	112.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)
800.0	86	302	95

2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed
TORK BUSTER		17.0
SOLPHALT		18.0
SUPER GEL		253.0
PALLETS		5.0
SHINK WRAP		5.0
ENGINEER SER.		1.0
PAC LV		17.0
CALCIUM CARBONAT		40.0

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,113.0

Marion Energy, Inc.

Daily Drilling Report

Contractor: Nabors **Rig Number: 513**

Report Date: 11/17/2008
Report # 50.0
DFS: 47.0

Well Name: Oman 10-29

API/UWI	License No.	State/Province	Surface Legal Location	Spud Date	KB-Ground Distance (ft)
043-007-31210		Utah	NWSE Sec 29, T13S, R7E	10/2/2008	25.00

Depth End (ftKB)	Depth Progress (ft)	AFE Number	Total AFE + Sup Amount
5,509.0	0.00		

Operations at Report Time	Operations Next Report Period	Daily Cost Total	Cum Cost To Date
Rigging dn. for move	Inspecting drill string and releasing rental equ.		

Daily Mud Cost	Mud Additive Cost To Date

Operations Summary

Lay dn. DP&HWDP, Nipple dn. and install well head cap , Jet & clean steel pits, Rig Released @ 11:00 pm 11/17/08 Diesel reading @ end of well 46" Fuel on hand 4302 gals.

Remarks

3 1/2 DP. was over/under torqued ,(800 Hp. drawworks with low low gear) Had to have welder heat connection on 9 Jts, to get to break Had to cut 2· pins off box on lay dn. Inspection report will show diff reason for this? Will gave a copy to toolpusher.

Depth Start (ftKB)	Depth End (ftKB)	Total AFE + Sup Amount
5,509.0	5,509.0	

Target Formation	Target Depth (ftKB)
FERRON	5,356.0

Time Log Total Hours (hrs)	Problem Time Hours (hrs)
24.00	

Mud Checks

Type	Time	Depth (ftKB)	Density (lb/gal)	Vis (s/qt)	PV Calc (cp)	YP Calc (lbf/100ft²)

Gel (10s) (lbf/100ft²)	Gel (10m) (lbf/100ft²)	Gel (30m) (lbf/100ft²)	Filtrate (mL/30min)	Filter Cake (/32")	pH	Solids (%)

MBT (lb/bbl)	Percent Oil (%)	Percent Water (%)	Chlorides (mg/L)	ECD - Manual Entr...	Calcium (mg/L)	Electric Stab (V)

Time Log

Start Time	End Time	Dur (hrs)	Cum Dur (hrs)	Comment
00:00	06:00	6.00	6.00	Lay dn. DP & HWDP. break kelly and sub
06:00	18:00	12.00	18.00	Nipple dn.BOP & install well head cap
18:00	23:00	5.00	23.00	Jet and clean steel pits. Rig released @ 11:00 pm 11/17/08
23:00	00:00	1.00	24.00	Rig dn.

Drill Strings

Bit Run	Drill Bit	IADC Bit Dull	TFA (incl Noz) (i...	Total Drill Hrs (h...	Total Avg ROP (...

Nozzles (/32")	String Length (ft)	String Wt (1000lbf)	BHA ROP (ft/hr)

Drilling Parameters

Wellbore	Depth Start (ftKB)	Depth End (ftKB)	Cum Depth (ft)	Drilling Time (hrs)	Cum Drill Time (...	Int ROP (ft/hr)	Flow Rate (gpm)

WOB (1000lbf)	RPM (rpm)	SPP (psi)	Drill Str Wt (100...	PU Str Wt (100...	SO Str Wt (100...	Drilling Torque	Off Btm Tq

Hydraulic Calculations

Bit Hydraulic Power (hp)	HP/Area (hp/in²)	Bit Jet Velocity (ft/s)	Bit Pressure Drop (psi)	% P @ bit (%)

Max Casing AV (ft/min)	Max Open Hole AV (ft/min)	Min Casing AV (ft/min)	Min Open Hole AV (ft/min)	TFA (incl Noz) (in²)

Drill String Components

Item Description	Jts	OD (in)	ID (in)	Len (ft)	Top Thread

Survey Data

MD (ftKB)	Incl (°)	Azm (°)	TVD (ftKB)	VS (ft)	DLS (°/100ft)
5,009.00	41.80	341.70	3,918.47	2,805.38	5.46
5,041.00	41.60	343.60	3,942.36	2,825.82	4.00
5,073.00	40.00	344.20	3,966.58	2,845.75	5.15
5,104.00	38.60	344.30	3,990.57	2,864.44	4.52
5,160.00	36.07	344.48	4,035.09	2,896.73	4.52

Rig Repairs

Code 2	Dur (hrs)	Cum Duration (hrs)
REPAIR RIG	0.00	112.75

Daily Contacts

Job Contact	Mobile
Jerry Thompson	435-448-9671
Chuck Redmon	405-596-4120
Paul Rico	405-326-3560

Rig Supervisor	Phone Mobile
Mark Meyer	

Mud Pumps

 # 1, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

 # 2, Nat, 9P100

Pump Rating (hp)	Rod Diameter (in)	Stroke (in)
1,000.0		9.00

Liner Size (in)	Vol/Stk OR (bbl/stk)
6 1/2	0.088

Pres (psi)	Strokes (sp...	Q (gpm)	Eff (%)

Mud Additive Amounts

Description	Cost (/unit)	Consumed

Last Casing String

Casing Description	Run Date	Set Depth (ftKB)
Intermediate	11/7/2008	5,113.0

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

December 9, 2010

Certified Mail No.: 7004 1160 0003 0190 4789

DIVISION ORDER

Marion Energy, Inc.
119 South Tennessee, Suite 200
McKinney, Texas 75069
Attn: Mr. Keri Clark

43 007 31210
OMAN 10-29
13S 7E 29

Subject: Bonding for Individual Wells

Dear Mr. Clark:

As of the date of this Order Marion Energy Inc. (Marion) has not satisfactorily demonstrated Marion's financial ability to meet Utah Code §40-6-5(f) and Oil and Gas Conservation General Rule (R649-3-6) requirements for state-wide bonding as requested in the Division of Oil, Gas and Mining (Division) certified letter dated October 25, 2010.

The Division is hereby ordering individual well bonds (R649-3-1.5) for all wells (see Attachment A) currently covered under Marion's $120,000 blanket bond. The total individual well bond obligation will be $421,500.

Therefore, Marion has 30 days from the date of this Order to post the additional bonding or enter into an agreement with the Division to satisfy this Order.

Marion has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review, according to procedures set forth in Utah Administrative Code R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the Order.

In the event Marion does not comply with this Division Order for Individual Well Bonding the Division will file for a formal hearing before the Board of Oil, Gas and Mining pursuant to Utah §40-6-11(3) & (4).

For bonding assistance please contact Randy Thackeray, Lead Auditor at (801) 538-5316. General questions regarding this Order may be directed to Clinton Dworshak, Compliance Manager at (801) 538-5280, or John Rogers, Oil and Gas Associate Director at (801) 538-5349.

Sincerely,

Clinton L Dworshak

Clinton Dworshak
Compliance Manager

CLD/js
Exhibits
cc: John Rogers, Associate Director
Steve Alder, Assistant Attorney General
Dustin Doucet, Petroleum Engineer
Randy Thackeray, Lead Auditor
Compliance File
Well Files

N:\O&G Reviewed Docs\ChronFile\Enforcement

Attachment A

Well Name	Well API	Well Depth	Bond
Cordingly Cyn 15-2	43-007-30102	4890	$30,000
Cordingly Cyn 15-1	43-007-31065	4735	$30,000
Cordingly Cyn 15-5	43-007-31167	4500	$30,000
Alpine School District 6-17	43-007-31181	5825	$30,000
Alpine School District 3-17	43-007-31182	5300	$30,000
Oman 10-29	43-007-31210	5500	$30,000
Utah Fuel 8	43-007-16015	4390	$30,000
Kenilworth RR 1	43-007-31006	4445	$30,000
Kenilworth RR 2	43-007-31007	5007	$30,000
Ballpark Cyn 1	43-007-31015	4468	$30,000
Cordingly Cyn 11-1	43-007-31070	5520	$30,000
Ballpark Cyn 17-2	43-007-31169	not reported	$30,000
Cordingly Cyn 10-1	43-007-31173	6435	$30,000
Ballpark Cyn 16-2X	43-007-31207	489	$1,500
Kennilworth RR 1-A	43-007-31229	8045	$30,000
		TOTAL	**$421,500**

7004 1160 0003 0190 4789

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CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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OFFICIAL USE

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Certified Fee	
Return Reciept Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Pos	

12/9/2010

Postmark Here

Sent To: MR KERI CLARKE
Street, Apt. or PO Box: MARION ENERGY INC
119 SOUTH TENNESSEE SUITE 200
City, State: MCKINNEY TX 75069

PS Form 3800, June 2002 — See Reverse for Instructions

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MR KERI CLARKE
MARION ENERGY INC
119 SOUTH TENNESSEE SUITE 200
MCKINNEY TX 75069

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X BC Dati
☐ Agent
☐ Addressee

B. Received by (Printed Name) Beth Dati
C. Date of Delivery 12/13/10

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number
(Transfer from service label) 7004 1160 0003 0190 4789

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

April 14, 2011

CERTIFIED MAIL NO.: 7005 1820 0001 5562 9023

43 007 31210
DMAN 10-29
13S 7E 29

Mr. Keri Clarke
Marion Energy Inc.
119 South Tennessee, Ste 200
McKinney, TX 75069

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Clarke:

As of January 2011, Marion Energy Inc. (Marion) has four (4) Fee Lease Wells and two (2) State Lease Wells (see Attachment A) that have been added to Marion's non-compliance list concerning the requirements for extended shut-in or temporarily abandoned (SI/TA) status. These wells are in addition to those currently under the stipulated order in Clear Creek. Wells SI/TA beyond twelve (12) consecutive months requires the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining (Division) approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is also a **reissuance of a SECOND NOTICE** for the Ballpark CYN 16-2X well (Attachment A). This well had a first notice sent via certified mail on August 26, 2008, and a second notice sent certified mail on May 04, 2009. To date the Division has not received any of the required information to bring said well into compliance with aforementioned rules. Please submit the required information for extended SI/TA status within 30 days of this notice or further actions will be initiated.

For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).

2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and

3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114 -5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File
LaVonne Garrison, SITLA

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
	Reissuance of 2ND NOTICE			
1	BALLPARK CYN 16-2X	43-007-31207	FEE	4 Years 7 Months
	1ST NOTICE			
2	CORDINGLY CYN 10-1	43-007-31173	FEE	4 Years 6 Months
3	ALPINE SCHOOL DIST 6-17	43-007-31181	ML-1257	2 Years 1 Month
4	OMAN 10-29	43-007-31210	ML-1256	2 Years 5 Months
5	BALLPARK CYN 17-2	43-007-31169	FEE	4 Years 8 Months
6	KENILWORTH RR 1-A	43-007-31229	FEE	1 Year 2 Months

MARION
ENERGY

May 5, 2011

State of Utah
Department of Natural Resources
1594 West North Temple
Suite 1210
Salt Lake City, Utah 84114

RECEIVED
MAY 09 2011
DIV. OF OIL, GAS & MINING

Attention: Dustin Doucet

Re: Notice – Extended SI/TA Well Leases

Dear Dustin

In response to your certified letter of April 14, 2011, we are providing you with information for wells that are currently structured as shut in or temporarily abandoned wells (SI/TA) by DOGM. Each well has individual information and is listed below.

Ballpark Canyon 16-2X 43 007 31207 13S 10E 16

This well is currently only drilled to 500 feet on the Ballpark site, with surface casing set. This well is planned to be drilled in the future to develop the Helper field. The casing is 18" above the ground and it has a cap welded on the casing. This well was a replacement for the Ballpark Canyon well 16-2 where the drilling was lost on the well while drilling surface pipe. As far as DOGM is concerned this well has not been sufficiently drilled but will be this year.

Cordingly Canyon 10-1 43 007 31173 13S 10E 15

This well was drilled to the Ferron but the Ferron portion of the hole collapsed and the well was cased through the lower Mancos. We have provided a wellbore diagram for your use. There is currently no pressure on the casing with no tubing in the hole. We currently plan to develop this into a Mancos well in the near future. We do not have a casing pressure and fluid level on this well.

Ballpark Canyon 17-2 43 007 31169 13S 10E 16

This well is the same as the 16-2X well, and has been only drilled to 500 feet with surface casing set. It is currently capped on the surface.

Kenilworth RR 1-A 43 007 31229 13S 10E 16

There is a wellbore diagram attached for this well. We had drilled this well to be a SWD well for Kenilworth. However we had positive response from the Cedar Mountain formation in the Buckhorn Conglomerate. Because of this we decided not to make it a SWD well at that time. We are currently waiting for a third party engineering report to advise us how to sidetrack the well to make it productive. We do not have a casing pressure test and fluid level on this well.

901 N. McDonald Street, Suite 601, McKinney, TX, 75069
Telephone: (972) 540-2967
Fax: (972) 547-0442

MARION
ENERGY

Alpine School District 6-17 43 007 31181 13S 7E 17

In February of this year we met with the Oil and Gas board to present a SWD proposal to convert the wells 3-17 and 6-17 on the Alpine School District site. This was approved. We have performed an MIT on the 3-17 and have converted it into a SWD well. We have not done the MIT on the 6-17 well, though we will probably do it this summer. There is a wellbore diagram attached for your perusal.

Oman 10-29 43 007 31210 13S 7E 29

This well was drilled two years ago in Clear Creek to the Ferron formation. The well was perforated but has never been stimulated for production. There is a plan to complete this well this summer as part of our plan to bring Clear Creek onto full production. There is a wellbore diagram attached for your perusal. We do not have a casing pressure test and fluid level on this well.

We respectfully request that DOGM extend the SI/TA status on these wells. We hope this answers some of your concerns regarding the wells in your notice. Please contact me should you need anything further,

Yours Sincerely

Keri Clarke
Vice President Land
Marion Energy Inc.

Cc: Jim Hansen
LaVonne Garrison - SITLA

REQUEST DENIED
Utah Division of
Oil, Gas and Mining
Date: 8/3/2011
By:

* Insufficient information provided - see requirements of rule R649-3-36.

Note: No attachments were provided in package

901 N. McDonald Street, Suite 601, McKinney, TX, 75069
Telephone: (972) 540-2967
Fax: (972) 547-0442

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION

STATE OF UTAH

OIL AND GAS CONSERVATION ACT

****

To the following operator: 13S 7E 29

Name: MARION ENERGY INC.

Well(s) or Site(s): 1.)	BALLPARK CYN 16-2X	API #: 43-007-31207
2.)	CORDINGLY CYN 10-1	43-007-31173
3.)	BALLPARK CYN 17-2	43-007-31169
4.)	KENILWORTH RR 1-A	43-007-31229
5.)	ALPINE SCHOOL DISTRICT 6-17	43-007-31181
6.)	OMAN 10-29	43-007-31210 ←

Date and Time of Inspection/Violation: August 24, 2011

Mailing Address: Attn: Keri Clarke

901 N McDonald St, Ste 601

McKinney, TX 75069-2157

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, *Shut-in and Temporarily Abandoned Wells* – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Marion Energy Inc. (Marion) requesting required documents and action per R649-3-36. A first notice of non-compliance was sent out via certified mail on April 26, 2011 to Marion concerning these wells. This notice also served as a re-issuance of a second notice for well #1 listed above. Marion responded with a letter dated May 5, 2011, and received by the Division on May 9, 2011. All requests were denied by the Division on August 3, 2011, due to insufficient information provided by Marion. In this letter Marion addressed the above wells as follows: Well #1 was stated as being drilled to 500' with surface casing set and a cap welded on the casing. Well #2 was said to have future plans of being developed into the Mancos, and lacked any information supporting integrity. Well #3 was stated to be the same as well #1 also being capped at surface. Well #4 was planned for sidetrack, also lacking any information showing integrity. Well #5 stated the plan to do an MIT this summer. Well #6 was planned to complete this summer. The Division recently conducted inspections on each well listed above and found the claims of wells 1 and 3 to be inaccurate as far as being capped at surface. Wells 1 and 3 were found with only plastic thread protectors at surface. Well #4 shows signs of wellhead leaking and also fluid tank leaking outside of containment.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

These findings cause concern that the casing or equipment condition may make the well a risk to public health and safety or the environment (R649-3-36-1.3). To date our records indicate that no further work has been done as planned or requests submitted by Marion to move these wells into compliance. These wells need to be secured properly.

Action: For the wells subject to this notice, Marion Energy Inc. shall secure these wells properly and either submit the information required by R649-3-36, plug and abandon or place the wells on production.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: October 15, 2011

Date of Service Mailing: August 25, 2011

CERTIFIED MAIL NO: 7011 0110 0001 3568 1212

Division's Representative

Operator or Representative
(If presented in person)

cc: Compliance File
Well Files

6/2005

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Clear Creek

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Oman 10-29

2. NAME OF OPERATOR: Marion Energy

9. API NUMBER: 4300731210

3. ADDRESS OF OPERATOR: P.O. Box 1518 CITY Allen STATE TX ZIP 75013

PHONE NUMBER: (972) 540-2967

10. FIELD AND POOL, OR WILDCAT: Clear Creek

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2052 ft FSL & 1581.18 ft FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
10/2/2012	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Update
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Currently waiting on completion rig.

NAME (PLEASE PRINT) Keri Clarke TITLE

SIGNATURE DATE 10/2/2012

(This space for State use only)

(5/2000) (See Instructions on Reverse Side)

RECEIVED
3 OCT 2012
DIV. OF OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ (highlight changes) FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME: Clear Creek Unit
8. WELL NAME and NUMBER: Oman 10-29
9. API NUMBER: 4300731210
10. FIELD AND POOL, OR WILDCAT: Clear Creek
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13s 7e
12. COUNTY: Carbon
13. STATE: UTAH

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ DRY ☐ OTHER
b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER
2. NAME OF OPERATOR: Marion Energy, Inc
3. ADDRESS OF OPERATOR: PO Box 1518 CITY Allen STATE Tx ZIP 75013 PHONE NUMBER: (972) 540-2967
4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 2052' FSL & 1581.18' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH:

14. DATE SPUDDED: 8/26/2008
15. DATE T.D. REACHED: 11/17/2008
16. DATE COMPLETED: 11/26/2008 ABANDONED ☐ READY TO PRODUCE ☑
17. ELEVATIONS (DF, RKB, RT, GL): 8591' RKB
18. TOTAL DEPTH: MD 5,509 TVD
19. PLUG BACK T.D.: MD TVD
20. IF MULTIPLE COMPLETIONS, HOW MANY? *
21. DEPTH BRIDGE PLUG SET: MD TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each): Caliper, Neutron/Density, Resistivity
23. WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4"	9 5/8" J-55	36#	0	757		G 350		0	
8 3/4"	7" J-55	23#	0	5,114		Poz 900		0	
6 1/4"				5,509					

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8"	5,357							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Ferron	5,130	5,509		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5114-5509	Open Hole completion

29. ENCLOSED ATTACHMENTS:
☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS: SI

(5/2000) (CONTINUED ON BACK)

RECEIVED
DEC 06 2012
Div. of Oil, Gas & Mining

31. INITIAL PRODUCTION — **INTERVAL A (As shown in item #26)**

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

To be vented until Questar tie-in is done

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Emery	610				
Blue Gate	1,803				
Ferron	5,130				

35. ADDITIONAL REMARKS (Include plugging procedure)

The Ferron section was drilled under balanced and uncased as an open hole completion. Anticipate production test 12/5/2012

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Doug Endsley TITLE Consultant

SIGNATURE Doug Endsley DATE 12/3/2012

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

(5/2000)

Alexis Huefner <alexishuefner@utah.gov>

Fwd: Oman 10-29 Completion sundry

1 message

Dustin Doucet <dustindoucet@utah.gov> Wed, Dec 5, 2012 at 5:26 PM
To: Alexis Huefner <alexishuefner@utah.gov>

---------- Forwarded message ----------
From: **Doug Endsley** <dendsley1124@hotmail.com>
Date: Tue, Dec 4, 2012 at 7:30 AM
Subject: Oman 10-29 Completion sundry
To: dustindoucet@utah.gov

Ted told Dave Smith this form was missing. I believe Charlotte filed it years ago but I can't find in in the scarce data I still have. Consequently, I have updated the form to reflect where we are today.

--
Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116
801.538.5281 (ofc)
801.359.3940 (fax)

web: www.ogm.utah.gov

Completion Report.pdf
150K

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION

STATE OF UTAH

OIL AND GAS CONSERVATION ACT

****

To the following operator:

Name: MARION ENERGY INC.

Well(s) or Site(s): 1.) BALLPARK CYN 16-2X	API #:	43-007-31207
2.) CORDINGLY CYN 10-1		43-007-31173
3.) BALLPARK CYN 17-2		43-007-31169
4.) KENILWORTH RR 1-A		43-007-31229
5.) ALPINE SCHOOL DISTRICT 6-17		43-007-31181
6.) OMAN 10-29		43-007-31210
7.) BALLPARK CANYON #1		43-007-31015
8.) CORDINGLY CYN 15-5		43-007-31167
9.) KENILWORTH RR #1		43-007-31006
10.) KENILWORTH RR#2		43-007-31007
11.) CORDINGLY CYN 15-2		43-007-31064
12.) CORDINGLY CYN 15-1		43-007-31065
13.) CORDINGLY CYN 11-1		43-007-31070

13S 7E 29

Date and Time of Inspection/Violation: December 10, 2012

Mailing Address: Attn: Keri Clarke

3580 Orr Road

Allen, TX 75002

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, *Shut-in and Temporarily Abandoned Wells* – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3, *Bonding* - If the division finds that a well subject to this bonding rule is in violation of Rule R649-3-36., Shut-in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restoration costs.

Rule R649-3-4.4.1. *Bonding* - Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

The Division has initiated several contacts with Marion Energy Inc. (Marion) requesting required documents and action per R649-3-36. Wells 1 - 6 have previously been issued SI/TA Notices and Notices of Violation without anything being accomplished to move these wells out of violation. Wells 7 and 8 have also been issued a SI/TA Notice without having met the requirements of R649-3-36. Wells 9 - 13 are also in violation of R649-3-36 having been added to Marion's SI/TA violation list. All wells listed above are currently under a Division Order for individual well bonding.

There has not been any evidence of effort being made to bring these wells into compliance. These wells are in violation of R-649-3-36 as listed above. The Division requires Marion to put up full cost bonding for all wells in violation above per R649-3-4. It is also mandatory that Marion submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

Immediate Action: For the wells subject to this notice, Marion shall fulfill full cost bonding requirements for each well. Marion shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.

* **Fines may be levied up to $10,000.00 per day for every well in violation given the authority provided under U.C.A. 40-6-11, part 4.**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: February 8, 2013

Date of Service Mailing: January 8, 2013

Certified Mail No: 7010 1670 0001 4810 3645

Division's Representative

Operator or Representative

(If presented in person)

cc: Compliance File
Well Files
SITLA

6/2005

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

DIVISION ORDER

February 22, 2013
Certified Mail #7010 1670 0001 4810 3898

Marion Energy
Attn: Keri Clarke
3580 Orr Road
Allen, TX 75002

RE: Division Order to Comply with the Notice of Violation Issued to Marion Energy on January 3, 2013

The Division of Oil, Gas and Mining (Division) memorializes the actions Marion Energy (Marion) is required to perform in order to return the wells listed below to compliance under Utah Admin. Code R649-3-36.

1) BALLPARK CYN 16-2X	API # 43-007-31207
2) CORDINGLY CYN 10-1	API # 43-007-31173
3) BALLPARK CYN 17-2	API # 43-007-31169
4) KENILWORTH RR 1-A	API # 43-007-31229
5) ALPINE SCHOOL DISTRICT 6-17	API # 43-007-31181
6) OMAN 10-29	API # 43-007-31210
7) BALLPARK CYN #1	API # 43-007-31015
8) CORDINGLY CYN 15-5	API # 43-007-31167
9) KENILWORTH RR #1	API # 43-007-31006
10) KENILWORTH RR #2	API # 43-007-31007
11) CORDINGLY CYN 15-2	API # 43-007-31064
12) CORDINGLY CYN 15-1	API # 43-007-31065
13) CORDINGLY CYN 11-1	API # 43-007-31070

The Division requires the following actions to be completed by Marion Energy by the prescribed dates listed below:

1) Provide the following monthly readings for each well listed above on the first of every month beginning on April 1, 2013.
    a. Surface Pressure
    b. Casing Pressure
    c. Fluid Levels

2) Plug and abandon the following wells by:

a.	BALLPARK CYN 16-2X	July 1, 2013
b.	BALLPARK CYN 17-2	July 1, 2013
c.	CORDINGLY CYN 10-1	July 1, 2013

3) Return the remaining wells not listed in Paragraph 2 to compliance by production, a MIT and plan in accordance with U.A.C. R649-3-36, or plug and abandon by July 1, 2013.

Marion has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.

In the event Marion does not comply with the Division Order by the dates listed above, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the U.A.C. R641, requesting a Board Order to plug and restore the well sites. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1-4) and civil penalties of up to $10,000 per day for each day of violation (Utah Code Ann. § 40-6-11).

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801)-538-5280 or Dustin Doucet, Engineer, at (801) 538-5281.

Sincerely,

Clinton Dworshak
Compliance Manager

CLD/js

Exhibit

cc: John Rogers, Associate Director
Cameron Johnson, Assistant Attorney General
Dustin Doucet, Engineer
Compliance File
Well Files

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION

STATE OF UTAH

OIL AND GAS CONSERVATION ACT

****

To the following operator:

Name: MARION ENERGY INC.

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	11.) CORDINGLY CYN 15-2	43-007-31064
	12.) CORDINGLY CYN 15-1	43-007-31065
	13.) CORDINGLY CYN 11-1	43-007-31070

Date and Time of Inspection/Violation: December 10, 2012

Mailing Address: Attn: Keri Clarke

3580 Orr Road

Allen, TX 75002

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

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Rule R649-3-36, *Shut-in and Temporarily Abandoned Wells* – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3, *Bonding* - If the division finds that a well subject to this bonding rule is in violation of Rule R649-3-36., Shut-in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restoration costs.

Rule R649-3-4.4.1. *Bonding* - Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

UTAH DEPARTMENT OF NATURAL RESOURCES

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The Division has initiated several contacts with Marion Energy Inc. (Marion) requesting required documents and action per R649-3-36. Wells 1 - 6 have previously been issued SI/TA Notices and Notices of Violation without anything being accomplished to move these wells out of violation. Wells 7 and 8 have also been issued a SI/TA Notice without having met the requirements of R649-3-36. Wells 9 - 13 are also in violation of R649-3-36 having been added to Marion's SI/TA violation list. All wells listed above are currently under a Division Order for individual well bonding.

There has not been any evidence of effort being made to bring these wells into compliance. These wells are in violation of R-649-3-36 as listed above. The Division requires Marion to put up full cost bonding for all wells in violation above per R649-3-4. It is also mandatory that Marion submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

Immediate Action: For the wells subject to this notice, Marion shall fulfill full cost bonding requirements for each well. Marion shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.

- **Fines may be levied up to $10,000.00 per day for every well in violation given the authority provided under U.C.A. 40-6-11, part 4.**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: February 8, 2013

Date of Service Mailing: January 8, 2013

Certified Mail No: 7010 1670 0001 4810 3645

Division's Representative

Operator or Representative
(If presented in person)

cc: Compliance File
Well Files
SITLA

6/2005

marion
ENERGY

February 5, 2013

Department of Natural Resources
Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Price, Utah 84114

43 007 31210
Oman 10-29
13S 7E 29

Attention: Dustin Doucet
Petroleum Engineer

Re: Notification of Violation January 3, 2013
Operation Plan

Dear Dustin,

Following up on our earlier (Jan. 18, 2013) letter to the Division, and subsequent discussions between Marion, Michael Malmquist of Parsons Behle, and Cameron Johnson, attorney for the Division of Oil Gas and Mining, Marion has been asked to put together a plan of operation for the wells mentioned on the referenced violation. As the Division is aware Marion is currently improving its financial situation. This will allow Marion to operate the fields in Utah fully, as it has done so in the past. From this situation Marion will plan to do the following;

Helper

Currently all the wells in Helper are connected to the Anadarko gas and water disposal system. Each of the wells on the Kenilworth and Cordingly sides of the field are connected by a closed gas and water pipeline system to the Anadarko connection point, through a Marion right of way. This system is currently shut down. Marion will have to contact Anadarko to set the system operational again. Marion currently has a gas purchase and water disposal agreement in place with Anadarko. Prior to resuming operations Marion will need to inspect each well to determine whether equipment is missing (due to scavenging) or otherwise in need of replacement or rehabilitation before the wells can be turned back on.

Ballpark Canyon 16-2X

This well is currently drilled to 500' with surface casing set in the shallow hole. This well will need a rig set to allow Marion to set cement in the hole, reduce the surface casing, cap the well and abandon the well. This well will be abandoned by the date of the June Board hearing being June 26, 2013.

Ballpark Canyon 17-2

This well is currently drilled to 500' with surface casing set in the shallow hole. This well will need a rig set to allow Marion to set cement in the hole, reduce the surface casing, cap the well and abandon the well. This well will be abandoned by the date of the June Board hearing being June 26, 2013.

3580 Orr Road,
Allen, Texas, 75002

marion
ENERGY

Cordingly Canyon 10-1

This well has not been completed in the Mancos section of the well. Because of downhole well problems Marion plans to set a rig, plug the well with cement and abandon the well. This well will be abandoned by the date August 8, 2013.

Kenilworth Railroad #1A

This well was last produced in February 2009. It is a Buckhorn Conglomerate well and is capable of production. This well currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Ballpark Canyon #1

This well was last produced in July 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Kenilworth Railroad #1

This well was last produced in September 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Kenilworth Railroad #2

This well was last produced in September 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Cordingly Canyon 15-5

This well was last produced in April 2010. It is a Mancos well, though it does not currently have a pumping unit on the well. Marion will replace the equipment needed and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Cordingly Canyon 15-1

This well was last produced in September 2010. This is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Cordingly Canyon 15-2

This well was last produced in September 2010. This is a Ferron well, though it does not have a hydraulic pumping unit on the well. Marion will replace the equipment needed, and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

3580 Orr Road,
Allen, Texas, 75002

marion
ENERGY

Cordingly Canyon 11-1

This well was last produced in September 2010. This is a Ferron well, though it does not have a hydraulic pumping unit on the well. Marion will replace the equipment needed, and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Clear Creek

Oman 10-29.

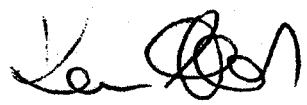
This well was drilled to the Ferron formation but was not completed. Recent operations in the last month have seen a production pump placed on the well. As weather improves in the area Marion will attempt to produce the well.

Alpine School District 6-17

This well was drilled as a Ferron well and was completed. Marion submitted applications to convert this well and the ASD 3-17 well into water disposal wells. After the ASD 3017 was approved, it was determined that one well was needed, and another WD well was not needed at that time. The well currently has a rotaflex pumping unit on it. Marion plans to attempt production from the well by the end of 2013. If the well is not producing an MIT will be done.

Marion is proposing this plan to address the January 3, 2013 Notice of Violation. Given the constraints of Marion's financial situation, we believe the plan contains reasonable time frames for conducting work either to abandon or put back on production the wells listed in the NOV. We look forward to hearing from you regarding this matter.

Yours Sincerely



Keri Clarke

3580 Orr Road,
Allen, Texas, 75002

marion
ENERGY

February 13, 2013

Department of Natural Resources
Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

Attention: Cameron Johnson, Assistant Attorney General

Re: Notification of Violation January 3, 2013
Operation Plan

Dear Cameron,

This responds to the email you sent to Mike Malmquist on behalf of the Division on February 8, 2013.

Anadarko Gas Purchase and Water Disposal Agreements

Marion has in place a Gas Purchase Agreement with Anadarko to purchase all gas produced in the field. Anadarko has historically purchased gas from the field and will continue to do so in the future. Marion also has a Water Disposal System Agreement with Anadarko for all water produced in the Helper field. Currently, Marion owes Anadarko of $47,500 for water disposal fees from historical production. As its financial situation improves Marion will settle the account. Beyond settling its account, Marion does not anticipate any commercial issues with Anadarko that could interfere with gas sales or water disposal.

Water Disposal and Gas Gathering System

Once Marion completed its initial drilling program in the Helper Field and established that the wells were productive, two separate HDPE trunk lines were laid, one for gas and one for water. Each of the wells was tied in to the trunk lines utilizing HDPE pipe. The tie lines and trunk lines are owned by Marion. The trunk lines terminate at a facility built and operated by Anadarko near Kenilworth. A free water knock-out was set to drop out any water in suspension with the gas before delivery into Anadarko. The system is a closed system. Natural gas production at the Helper field was suspended when Marion ran into financial issues. This decision to suspend production was made by Marion due to the cash and human resource issues, not by Anadarko locking the company out of the system. Each well was isolated from the gas and water lines by shutting the respective valves at each wellhead. Additionally, at the time the field was shut-in

Anadarko was made aware of the Marion situation. Subsequently, Anadarko field personnel secured the aforementioned equipment. The Helper pipeline system was fully operational and problem free when it was shut down. We would not anticipate any problems with the pipe itself, but here maybe some wellhead valves that will need to be examined before recommencing field operations.

Financial Situation

Marion does not believe that these negotiations are in vain due to its financial condition. Marion has reason to believe that its financial situation will improve within a time frame that accommodates the compliance schedule addressed in this and prior letters. More specifically, Marion expects to have

access to additional funding during the first half of March 2013 that will allow it to begin the work in the Helper field, with another infusion in May 2013.

Produce or MIT Wells

Marion does not believe that it can produce the wells by April 1, 2013. Marion accepts the Division's proposal to divide the wells into Pods with associated MIT completion dates, but proposes that an additional month be added to the proposed MIT completion date for each pod, as well as the full cost bonding and backup date. This timing is more consistent with Marion's expectation of when it will have the available financial resources.

Pod 1: Ballpark Canyon #1, Kenilworth Railroad #1A, #1, #2: The MIT date for this pod of wells would be June 1, 2013. The work would begin on the Kenilworth Railroad #1A. The backup date for full cost bonding and showing of well integrity would be July 1, 2013.

Pod 2: Cordingly Canyon 15-5, 15-2, 15-1, 11-1: The MIT date for this pod of wells would be August 1, 2013. The backup date for full cost bonding and showing of well integrity would be September 1, 2013.

Pressure and Fluid Level Information

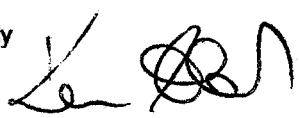
With regard to DOGM's request for information on pressures and fluid levels in the Helper wells, we would like to make the following comments. First, any field data that was acquired while the field was operational will only show what the operating pressure of the system was. Typically, Anadarko was able to keep enough compression operating field-wide to maintain 25-30 psi on our gas system. Second, the water system in essence gravity fed into the Anadarko system, and as such, there was negligible pressure on this line at all times. Third, since the mechanical integrity of the casing is the concern, the tubing pressure would not provide meaningful information

We are not sure if the sentence is supposed to read "production pressures" and if so what that would mean exactly. As stated before, the field pressure was 25-30 psi when the field was in operation. Since the field is currently shut in there is no production or "production pressure." All previous production has been reported. Concerning the last part of the sentence dealing with surface pressures, fluid levels etc., we see no definitive correlation between those items and casing integrity. Gathering such information now, and particularly given Marion's need to be as efficient as possible with money and personnel, would not appear to be a productive expenditure of resources. Marion proposes that this request be withdrawn, and that we be allowed to focus on putting ourselves in a position to undertake MITs, which are the true measure of well integrity, on the schedule proposed above. We would expect that when Marion enters the Helper field to begin the MIT process the fluid levels and surface wellhead pressure data will be gathered for reservoir engineering reasons, and we would be happy to provide that information to the Division as it is obtained.

Marion hopes this letter addresses the comments and requirements outlined by the Oil and Gas Division in your email from February 8, 2013.

We look forward to hearing from you.

Yours Sincerely



Keri Clarke

3580 Orr Road,
Allen, Texas, 75002

marion
ENERGY

January 18, 2013

Department of Natural Resources
Division of Oil and Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

43 007 31210
Oman 10-29
13S 7E 29

Attention: Dustin Doucet

Re: Notice of Violation – Clear Creek and Helper Fields

Dear Dustin,

In response to your certified letter of January 3, 2013, we are providing you with information for wells that are currently structured as shut in or temporarily abandoned wells (SI/TA) by DOGM. Each well has individual information and is listed below.

As you know, for the last two and a half years Marion Energy Inc. (Marion) has been under financial stress that has not allowed active operations in the Clear Creek and Helper fields, beyond maintaining a field presence and taking some limited, preliminary actions to resuming operations. In the last few months, however, Marion has been able to improve its financial position to the point of resuming active operations in the Clear Creek field, with further financial improvement expected as that field is put back on production.

Marion explained these circumstances to DOGM and the Board of Oil, Gas and Mining at the October 26, 2012 hearing, where Marion sought and obtained Board approval to reinstitute active operations at Clear Creek. As discussed at the hearing, Marion's funding is currently limited to the monies needed to put the Clear Creek field back on production, beginning with the Oman 2-20 and Oman 10-29 wells, but once that occurs Marion expects its financial position to continue to improve to the point it can meet all of its obligations with respect to its SI/TA wells, and to move back into active operations at the Helper Field

Consistent with discussions at the October Board hearing, we have now rehabilitated the water disposal (WD) system in the accessible portion of the Clear Creek field and we are actively working on restoring production at the two initially targeted wells, despite the extreme winter weather conditions that set in several weeks ago.

Helper

The wells listed in the NOV for the Helper Field are all modern wells, having been drilled in 2005 or later. This field was in production until October 2010, though the wells are now shut in. All of the Helper wells listed in the NOV are currently attached to a gas and water system (the Anadarko sales and SWD system). This system is controlled entirely by Anadarko. Marion conducted an inspection of the Helper Field on 1-16-13 and confirmed that there is no evidence of any gas or water leaks at any of the wells. We understand that DOGM has also recently inspected the Helper Field and reached the same conclusion. Marion plans to bring this field into operation soon, as finances allow. Please be advised that Marion has already provided wellbore diagrams of all of the wells referenced below.

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Ballpark Canyon 16-2X

This well is only drilled to 500 feet on the Ballpark site with surface casing set. The casing is 18" above the ground and it has a cap welded on the casing. This well was a replacement for the Ballpark Canyon 16-2 where the drilling was lost on the well while drilling surface pipe. Marion plans to drill this well to the Ferron in the future.

Ballpark Canyon 17-2

This well is the same as the 16-2X well, and has been only drilled to 500 feet with surface casing set. It is currently capped on the surface.

Ballpark Canyon #1

This well is drilled as a Ferron well and has been completed. It has been producing in the past though it is currently shut in. There is a pumping unit on the well. Among the Helper Field wells, this well is the one that has the closest proximity to occupied structures. We closely inspected this well on 1-16-13 and confirmed that there are no issues.

Cordingly Canyon 10-1

This well was drilled as a Ferron producer. However because of hole issues in the deeper section it was expected to be completed as a Mancos well. Marion plans to complete the well, and produce the well in the future.

Kenilworth RR#1A

We had originally drilled this well to be a SWD well for Helper. However we had positive response from the Buckhorn Conglomerate and we completed the well in that zone. The well has produced in the past and we will plan to bring it back online soon. A situation regarding the wellhead leaking at the site was handled by our operations people and the well site is now clean of this spill.

Kenilworth RR#1

This well was producing until it was shut in. There is a pumping unit on the well. Marion plans to bring this well into production soon.

Kenilworth RR#2

This well was producing until it was shut in. There is a pumping unit on the well. Marion plans to bring this well into production soon.

Cordingly Canyon 15-5

This well was drilled to the Mancos formation and was completed. It did produce for a short time before being shut in. Marion plans to work on this well and to produce it soon.

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Allen, Texas, 75002

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Cordingly Canyon 15-2

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. There is not currently a hydraulic pumping unit on the well. Marion plans to work on the well, replace the pumping unit and bring it back into production soon.

Cordingly Canyon 15-1

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. It currently has a pumping unit on the well. Marion plans to bring this well into production soon.

Cordingly Canyon 11-1

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. There is not currently a hydraulic pumping unit on the well. Marion plans to work on the well, replace the pumping unit and bring it into production soon.

Clear Creek

The NOV lists two wells in the Clear Creek Field, the ASD 6-17 and the Oman 10-29. Both of these are modern wells drilled after 2005. The Clear Creek Field came off production in July 2011 due to financial issues and a rupture in the water disposal line. We have inspected both of these wells in the last few weeks and neither has any leaks or other problems.

Following the Board hearing in late October, Marion has re-commenced operations in the Clear Creek Field. It has done an MIT on the current SWD well (the ASD 3-17). It has replaced several Air Vacs on the water line in the field, and tested the whole system. It has commenced operations in the field on two wells, the Oman 2-20 and the Oman 10-29. Given its financial situation improving, Marion plans to expand operations to additional Clear Creek wells in the near future. Please be advised that Marion has provided wellbore diagrams on these wells in the past.

ASD 6-17

This well was drilled as a Ferron well and was completed. Marion submitted applications to convert this well and the ASD 3-17 well into WD wells, to ensure that at least one WD well was permitted. After the ASD 3-17 was approved, it was determined that it would suffice and another WD well was not needed at that time. The well currently has a rotaflex pumping unit on it. Marion plans to commence operations on this well and bring it on to production soon.

Oman 10-29

This well was drilled to the Ferron but was not completed. Since resuming operations in the Clear Creek field in November, Marion has sent in a completion form for the well, and has done a flow test on the well. Recent operations in the last month have seen a production pump placed on the well. As weather improves in the area Marion will produce the well.

marion
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Bonding

Marion does not currently have the financial wherewithal to undertake full cost bonding of all of the wells listed in the NOV, and will not be in a condition to do so until its financial situation further improves. We note, however, that Marion currently is bonded with DOGM for $451,500 ($421,500 surety bond and $30,000 cash bond), and DOGM holds an additional $184,000 of cash for reclamation of Marion wells, meaning there is over $630,000 in place with DOGM for reclamation, When added to Marion's federal and SITLA bonds, there is just under $1,000,000 currently available for Marion reclamation.

Based on the above information, Marion respectfully requests that DOGM extend the SI/TA status on these wells, and withhold further enforcement action while Marion brings the Clear Creek Field back on production and continues to improve its financial condition to the point it can put move back into the Helper field and put those wells back into production as well, thereby removing the wells from SI/TA status.

We would be happy to meet with you to further discuss this matter. In the meantime, feel free to contact us should you need anything further.

Yours Sincerely,

Keri Clarke

3580 Orr Road,
Allen, Texas, 75002

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

DIVISION ORDER

February 22, 2013
Certified Mail #7010 1670 0001 4810 3898

Marion Energy
Attn: Keri Clarke
3580 Orr Road
Allen, TX 75002

RE: Division Order to Comply with the Notice of Violation Issued to Marion Energy on January 3, 2013

The Division of Oil, Gas and Mining (Division) memorializes the actions Marion Energy (Marion) is required to perform in order to return the wells listed below to compliance under Utah Admin. Code R649-3-36.

1) BALLPARK CYN 16-2X	API # 43-007-31207
2) CORDINGLY CYN 10-1	API # 43-007-31173
3) BALLPARK CYN 17-2	API # 43-007-31169
4) KENILWORTH RR 1-A	API # 43-007-31229
5) ALPINE SCHOOL DISTRICT 6-17	API # 43-007-31181
6) OMAN 10-29	API # 43-007-31210
7) BALLPARK CYN #1	API # 43-007-31015
8) CORDINGLY CYN 15-5	API # 43-007-31167
9) KENILWORTH RR #1	API # 43-007-31006
10) KENILWORTH RR #2	API # 43-007-31007
11) CORDINGLY CYN 15-2	API # 43-007-31064
12) CORDINGLY CYN 15-1	API # 43-007-31065
13) CORDINGLY CYN 11-1	API # 43-007-31070

The Division requires the following actions to be completed by Marion Energy by the prescribed dates listed below:

1) Provide the following monthly readings for each well listed above on the first of every month beginning on April 1, 2013.
    a. Surface Pressure
    b. Casing Pressure
    c. Fluid Levels

2) Plug and abandon the following wells by:

a.	BALLPARK CYN 16-2X	July 1, 2013
b.	BALLPARK CYN 17-2	July 1, 2013
c.	CORDINGLY CYN 10-1	July 1, 2013

3) Return the remaining wells not listed in Paragraph 2 to compliance by production, a MIT and plan in accordance with U.A.C. R649-3-36, or plug and abandon by July 1, 2013.

Marion has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.

In the event Marion does not comply with the Division Order by the dates listed above, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the U.A.C. R641, requesting a Board Order to plug and restore the well sites. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1-4) and civil penalties of up to $10,000 per day for each day of violation (Utah Code Ann. § 40-6-11).

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801)-538-5280 or Dustin Doucet, Engineer, at (801) 538-5281.

Sincerely,

Clinton Dworshak
Compliance Manager

CLD/js

Exhibit

cc: John Rogers, Associate Director
Cameron Johnson, Assistant Attorney General
Dustin Doucet, Engineer
Compliance File
Well Files

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION

STATE OF UTAH

OIL AND GAS CONSERVATION ACT

****

To the following operator:

Name: MARION ENERGY INC.

Well(s) or Site(s):	1.) BALLPARK CYN 16-2X	API #: 43-007-31207
	2.) CORDINGLY CYN 10-1	43-007-31173
	3.) BALLPARK CYN 17-2	43-007-31169
	4.) KENILWORTH RR 1-A	43-007-31229
	5.) ALPINE SCHOOL DISTRICT 6-17	43-007-31181
	6.) OMAN 10-29	43-007-31210
	7.) BALLPARK CANYON #1	43-007-31015
	8.) CORDINGLY CYN 15-5	43-007-31167
	9.) KENILWORTH RR #1	43-007-31006
	10.) KENILWORTH RR#2	43-007-31007
	11.) CORDINGLY CYN 15-2	43-007-31064
	12.) CORDINGLY CYN 15-1	43-007-31065
	13.) CORDINGLY CYN 11-1	43-007-31070

Date and Time of Inspection/Violation: December 10, 2012

Mailing Address: Attn: Keri Clarke

3580 Orr Road

Allen, TX 75002

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, *Shut-in and Temporarily Abandoned Wells* – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3, *Bonding* - If the division finds that a well subject to this bonding rule is in violation of Rule R649-3-36., Shut-in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restoration costs.

Rule R649-3-4.4.1. *Bonding* - Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

The Division has initiated several contacts with Marion Energy Inc. (Marion) requesting required documents and action per R649-3-36. Wells 1 - 6 have previously been issued SI/TA Notices and Notices of Violation without anything being accomplished to move these wells out of violation. Wells 7 and 8 have also been issued a SI/TA Notice without having met the requirements of R649-3-36. Wells 9 - 13 are also in violation of R649-3-36 having been added to Marion's SI/TA violation list. All wells listed above are currently under a Division Order for individual well bonding.

There has not been any evidence of effort being made to bring these wells into compliance. These wells are in violation of R-649-3-36 as listed above. The Division requires Marion to put up full cost bonding for all wells in violation above per R649-3-4. It is also mandatory that Marion submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

Immediate Action: For the wells subject to this notice, Marion shall fulfill full cost bonding requirements for each well. Marion shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.

- **Fines may be levied up to $10,000.00 per day for every well in violation given the authority provided under U.C.A. 40-6-11, part 4.**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: February 8, 2013

Date of Service Mailing: January 8, 2013

Certified Mail No: 7010 1670 0001 4810 3645

Division's Representative

Operator or Representative
(If presented in person)

cc: Compliance File
Well Files
SITLA

6/2005

marion
ENERGY

February 5, 2013

Department of Natural Resources
Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Price, Utah 84114

43 007 31210
Oman 10-29
13S 7E 29

Attention: Dustin Doucet
Petroleum Engineer

Re: Notification of Violation January 3, 2013
Operation Plan

Dear Dustin,

Following up on our earlier (Jan. 18, 2013) letter to the Division, and subsequent discussions between Marion, Michael Malmquist of Parsons Behle, and Cameron Johnson, attorney for the Division of Oil Gas and Mining, Marion has been asked to put together a plan of operation for the wells mentioned on the referenced violation. As the Division is aware Marion is currently improving its financial situation. This will allow Marion to operate the fields in Utah fully, as it has done so in the past. From this situation Marion will plan to do the following;

Helper

Currently all the wells in Helper are connected to the Anadarko gas and water disposal system. Each of the wells on the Kenilworth and Cordingly sides of the field are connected by a closed gas and water pipeline system to the Anadarko connection point, through a Marion right of way. This system is currently shut down. Marion will have to contact Anadarko to set the system operational again. Marion currently has a gas purchase and water disposal agreement in place with Anadarko. Prior to resuming operations Marion will need to inspect each well to determine whether equipment is missing (due to scavenging) or otherwise in need of replacement or rehabilitation before the wells can be turned back on.

Ballpark Canyon 16-2X

This well is currently drilled to 500' with surface casing set in the shallow hole. This well will need a rig set to allow Marion to set cement in the hole, reduce the surface casing, cap the well and abandon the well. This well will be abandoned by the date of the June Board hearing being June 26, 2013.

Ballpark Canyon 17-2

This well is currently drilled to 500' with surface casing set in the shallow hole. This well will need a rig set to allow Marion to set cement in the hole, reduce the surface casing, cap the well and abandon the well. This well will be abandoned by the date of the June Board hearing being June 26, 2013.

3580 Orr Road,
Allen, Texas, 75002

marion
ENERGY

Cordingly Canyon 10-1

This well has not been completed in the Mancos section of the well. Because of downhole well problems Marion plans to set a rig, plug the well with cement and abandon the well. This well will be abandoned by the date August 8, 2013.

Kenilworth Railroad #1A

This well was last produced in February 2009. It is a Buckhorn Conglomerate well and is capable of production. This well currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Ballpark Canyon #1

This well was last produced in July 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Kenilworth Railroad #1

This well was last produced in September 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Kenilworth Railroad #2

This well was last produced in September 2010. It is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Cordingly Canyon 15-5

This well was last produced in April 2010. It is a Mancos well, though it does not currently have a pumping unit on the well. Marion will replace the equipment needed and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Cordingly Canyon 15-1

This well was last produced in September 2010. This is a Ferron well and currently has a pumping unit on the well. We will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Cordingly Canyon 15-2

This well was last produced in September 2010. This is a Ferron well, though it does not have a hydraulic pumping unit on the well. Marion will replace the equipment needed, and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

3580 Orr Road,
Allen, Texas, 75002

marion
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Cordingly Canyon 11-1

This well was last produced in September 2010. This is a Ferron well, though it does not have a hydraulic pumping unit on the well. Marion will replace the equipment needed, and will attempt to bring the well on production prior to the end of 2013. If the well is not producing an MIT will be done.

Clear Creek

Oman 10-29.

This well was drilled to the Ferron formation but was not completed. Recent operations in the last month have seen a production pump placed on the well. As weather improves in the area Marion will attempt to produce the well.

Alpine School District 6-17

This well was drilled as a Ferron well and was completed. Marion submitted applications to convert this well and the ASD 3-17 well into water disposal wells. After the ASD 3017 was approved, it was determined that one well was needed, and another WD well was not needed at that time. The well currently has a rotaflex pumping unit on it. Marion plans to attempt production from the well by the end of 2013. If the well is not producing an MIT will be done.

Marion is proposing this plan to address the January 3, 2013 Notice of Violation. Given the constraints of Marion's financial situation, we believe the plan contains reasonable time frames for conducting work either to abandon or put back on production the wells listed in the NOV. We look forward to hearing from you regarding this matter.

Yours Sincerely

Keri Clarke

3580 Orr Road,
Allen, Texas, 75002

marion
ENERGY

February 13, 2013

Department of Natural Resources
Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

Attention: Cameron Johnson, Assistant Attorney General

Re: Notification of Violation January 3, 2013
Operation Plan

Dear Cameron,

This responds to the email you sent to Mike Malmquist on behalf of the Division on February 8, 2013.

Anadarko Gas Purchase and Water Disposal Agreements

Marion has in place a Gas Purchase Agreement with Anadarko to purchase all gas produced in the field. Anadarko has historically purchased gas from the field and will continue to do so in the future. Marion also has a Water Disposal System Agreement with Anadarko for all water produced in the Helper field. Currently, Marion owes Anadarko of $47,500 for water disposal fees from historical production. As its financial situation improves Marion will settle the account. Beyond settling its account, Marion does not anticipate any commercial issues with Anadarko that could interfere with gas sales or water disposal.

Water Disposal and Gas Gathering System

Once Marion completed its initial drilling program in the Helper Field and established that the wells were productive, two separate HDPE trunk lines were laid, one for gas and one for water. Each of the wells was tied in to the trunk lines utilizing HDPE pipe. The tie lines and trunk lines are owned by Marion. The trunk lines terminate at a facility built and operated by Anadarko near Kenilworth. A free water knock-out was set to drop out any water in suspension with the gas before delivery into Anadarko. The system is a closed system. Natural gas production at the Helper field was suspended when Marion ran into financial issues. This decision to suspend production was made by Marion due to the cash and human resource issues, not by Anadarko locking the company out of the system. Each well was isolated from the gas and water lines by shutting the respective valves at each wellhead. Additionally, at the time the field was shut-in

Anadarko was made aware of the Marion situation. Subsequently, Anadarko field personnel secured the aforementioned equipment. The Helper pipeline system was fully operational and problem free when it was shut down. We would not anticipate any problems with the pipe itself, but here maybe some wellhead valves that will need to be examined before recommencing field operations.

Financial Situation

Marion does not believe that these negotiations are in vain due to its financial condition. Marion has reason to believe that its financial situation will improve within a time frame that accommodates the compliance schedule addressed in this and prior letters. More specifically, Marion expects to have

access to additional funding during the first half of March 2013 that will allow it to begin the work in the Helper field, with another infusion in May 2013.

Produce or MIT Wells

Marion does not believe that it can produce the wells by April 1, 2013. Marion accepts the Division's proposal to divide the wells into Pods with associated MIT completion dates, but proposes that an additional month be added to the proposed MIT completion date for each pod, as well as the full cost bonding and backup date. This timing is more consistent with Marion's expectation of when it will have the available financial resources.

Pod 1: Ballpark Canyon #1, Kenilworth Railroad #1A, #1, #2: The MIT date for this pod of wells would be June 1, 2013. The work would begin on the Kenilworth Railroad #1A. The backup date for full cost bonding and showing of well integrity would be July 1, 2013.

Pod 2: Cordingly Canyon 15-5, 15-2, 15-1, 11-1: The MIT date for this pod of wells would be August 1, 2013. The backup date for full cost bonding and showing of well integrity would be September 1, 2013.

Pressure and Fluid Level Information

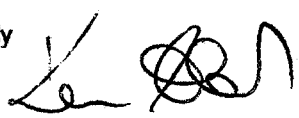
With regard to DOGM's request for information on pressures and fluid levels in the Helper wells, we would like to make the following comments. First, any field data that was acquired while the field was operational will only show what the operating pressure of the system was. Typically, Anadarko was able to keep enough compression operating field-wide to maintain 25-30 psi on our gas system. Second, the water system in essence gravity fed into the Anadarko system, and as such, there was negligible pressure on this line at all times. Third, since the mechanical integrity of the casing is the concern, the tubing pressure would not provide meaningful information

We are not sure if the sentence is supposed to read "production pressures" and if so what that would mean exactly. As stated before, the field pressure was 25-30 psi when the field was in operation. Since the field is currently shut in there is no production or "production pressure." All previous production has been reported. Concerning the last part of the sentence dealing with surface pressures, fluid levels etc., we see no definitive correlation between those items and casing integrity. Gathering such information now, and particularly given Marion's need to be as efficient as possible with money and personnel, would not appear to be a productive expenditure of resources. Marion proposes that this request be withdrawn, and that we be allowed to focus on putting ourselves in a position to undertake MITs, which are the true measure of well integrity, on the schedule proposed above. We would expect that when Marion enters the Helper field to begin the MIT process the fluid levels and surface wellhead pressure data will be gathered for reservoir engineering reasons, and we would be happy to provide that information to the Division as it is obtained.

Marion hopes this letter addresses the comments and requirements outlined by the Oil and Gas Division in your email from February 8, 2013.

We look forward to hearing from you.

Yours Sincerely



Keri Clarke

3580 Orr Road,
Allen, Texas, 75002

marion
ENERGY

January 18, 2013

Department of Natural Resources
Division of Oil and Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

43 007 31210
Oman 10-29
13S 7E 29

Attention: Dustin Doucet

Re: Notice of Violation – Clear Creek and Helper Fields

Dear Dustin,

In response to your certified letter of January 3, 2013, we are providing you with information for wells that are currently structured as shut in or temporarily abandoned wells (SI/TA) by DOGM. Each well has individual information and is listed below.

As you know, for the last two and a half years Marion Energy Inc. (Marion) has been under financial stress that has not allowed active operations in the Clear Creek and Helper fields, beyond maintaining a field presence and taking some limited, preliminary actions to resuming operations. In the last few months, however, Marion has been able to improve its financial position to the point of resuming active operations in the Clear Creek field, with further financial improvement expected as that field is put back on production.

Marion explained these circumstances to DOGM and the Board of Oil, Gas and Mining at the October 26, 2012 hearing, where Marion sought and obtained Board approval to reinstitute active operations at Clear Creek. As discussed at the hearing, Marion's funding is currently limited to the monies needed to put the Clear Creek field back on production, beginning with the Oman 2-20 and Oman 10-29 wells, but once that occurs Marion expects its financial position to continue to improve to the point it can meet all of its obligations with respect to its SI/TA wells, and to move back into active operations at the Helper Field

Consistent with discussions at the October Board hearing, we have now rehabilitated the water disposal (WD) system in the accessible portion of the Clear Creek field and we are actively working on restoring production at the two initially targeted wells, despite the extreme winter weather conditions that set in several weeks ago.

Helper

The wells listed in the NOV for the Helper Field are all modern wells, having been drilled in 2005 or later. This field was in production until October 2010, though the wells are now shut in. All of the Helper wells listed in the NOV are currently attached to a gas and water system (the Anadarko sales and SWD system). This system is controlled entirely by Anadarko. Marion conducted an inspection of the Helper Field on 1-16-13 and confirmed that there is no evidence of any gas or water leaks at any of the wells. We understand that DOGM has also recently inspected the Helper Field and reached the same conclusion. Marion plans to bring this field into operation soon, as finances allow. Please be advised that Marion has already provided wellbore diagrams of all of the wells referenced below.

3580 Orr Road,
Allen, Texas, 75002

marion
ENERGY

Ballpark Canyon 16-2X

This well is only drilled to 500 feet on the Ballpark site with surface casing set. The casing is 18" above the ground and it has a cap welded on the casing. This well was a replacement for the Ballpark Canyon 16-2 where the drilling was lost on the well while drilling surface pipe. Marion plans to drill this well to the Ferron in the future.

Ballpark Canyon 17-2

This well is the same as the 16-2X well, and has been only drilled to 500 feet with surface casing set. It is currently capped on the surface.

Ballpark Canyon #1

This well is drilled as a Ferron well and has been completed. It has been producing in the past though it is currently shut in. There is a pumping unit on the well. Among the Helper Field wells, this well is the one that has the closest proximity to occupied structures. We closely inspected this well on 1-16-13 and confirmed that there are no issues.

Cordingly Canyon 10-1

This well was drilled as a Ferron producer. However because of hole issues in the deeper section it was expected to be completed as a Mancos well. Marion plans to complete the well, and produce the well in the future.

Kenilworth RR#1A

We had originally drilled this well to be a SWD well for Helper. However we had positive response from the Buckhorn Conglomerate and we completed the well in that zone. The well has produced in the past and we will plan to bring it back online soon. A situation regarding the wellhead leaking at the site was handled by our operations people and the well site is now clean of this spill.

Kenilworth RR#1

This well was producing until it was shut in. There is a pumping unit on the well. Marion plans to bring this well into production soon.

Kenilworth RR#2

This well was producing until it was shut in. There is a pumping unit on the well. Marion plans to bring this well into production soon.

Cordingly Canyon 15-5

This well was drilled to the Mancos formation and was completed. It did produce for a short time before being shut in. Marion plans to work on this well and to produce it soon.

3580 Orr Road,
Allen, Texas, 75002

marion
ENERGY

Cordingly Canyon 15-2

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. There is not currently a hydraulic pumping unit on the well. Marion plans to work on the well, replace the pumping unit and bring it back into production soon.

Cordingly Canyon 15-1

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. It currently has a pumping unit on the well. Marion plans to bring this well into production soon.

Cordingly Canyon 11-1

This well was drilled to the Ferron formation and was completed. This well was producing until it was shut in. There is not currently a hydraulic pumping unit on the well. Marion plans to work on the well, replace the pumping unit and bring it into production soon.

Clear Creek

The NOV lists two wells in the Clear Creek Field, the ASD 6-17 and the Oman 10-29. Both of these are modern wells drilled after 2005. The Clear Creek Field came off production in July 2011 due to financial issues and a rupture in the water disposal line. We have inspected both of these wells in the last few weeks and neither has any leaks or other problems.

Following the Board hearing in late October, Marion has re-commenced operations in the Clear Creek Field. It has done an MIT on the current SWD well (the ASD 3-17). It has replaced several Air Vacs on the water line in the field, and tested the whole system. It has commenced operations in the field on two wells, the Oman 2-20 and the Oman 10-29. Given its financial situation improving, Marion plans to expand operations to additional Clear Creek wells in the near future. Please be advised that Marion has provided wellbore diagrams on these wells in the past.

ASD 6-17

This well was drilled as a Ferron well and was completed. Marion submitted applications to convert this well and the ASD 3-17 well into WD wells, to ensure that at least one WD well was permitted. After the ASD 3-17 was approved, it was determined that it would suffice and another WD well was not needed at that time. The well currently has a rotaflex pumping unit on it. Marion plans to commence operations on this well and bring it on to production soon.

Oman 10-29

This well was drilled to the Ferron but was not completed. Since resuming operations in the Clear Creek field in November, Marion has sent in a completion form for the well, and has done a flow test on the well. Recent operations in the last month have seen a production pump placed on the well. As weather improves in the area Marion will produce the well.

marion
ENERGY

Bonding

Marion does not currently have the financial wherewithal to undertake full cost bonding of all of the wells listed in the NOV, and will not be in a condition to do so until its financial situation further improves. We note, however, that Marion currently is bonded with DOGM for $451,500 ($421,500 surety bond and $30,000 cash bond), and DOGM holds an additional $184,000 of cash for reclamation of Marion wells, meaning there is over $630,000 in place with DOGM for reclamation, When added to Marion's federal and SITLA bonds, there is just under $1,000,000 currently available for Marion reclamation.

Based on the above information, Marion respectfully requests that DOGM extend the SI/TA status on these wells, and withhold further enforcement action while Marion brings the Clear Creek Field back on production and continues to improve its financial condition to the point it can put move back into the Helper field and put those wells back into production as well, thereby removing the wells from SI/TA status.

We would be happy to meet with you to further discuss this matter. In the meantime, feel free to contact us should you need anything further.

Yours Sincerely,

Keri Clarke

3580 Orr Road,
Allen, Texas, 75002

SEND Sundry ; Attachments to each of the well files Listed Below :

1) BALLPARK CYN 16-2X	API # 43-007-31207
2) CORDINGLY CYN 10-1	API # 43-007-31173
3) BALLPARK CYN 17-2	API # 43-007-31169
4) KENILWORTH RR 1-A	API # 43-007-31229
5) ALPINE SCHOOL DISTRICT 6-17	API # 43-007-31181
6) OMAN 10-29	API # 43-007-31210
7) BALLPARK CYN #1	API # 43-007-31015
8) CORDINGLY CYN 15-5	API # 43-007-31167
9) KENILWORTH RR #1	API # 43-007-31006
10) KENILWORTH RR #2	API # 43-007-31007
11) CORDINGLY CYN 15-2	API # 43-007-31064
12) CORDINGLY CYN 15-1	API # 43-007-31065
13) CORDINGLY CYN 11-1	API # 43-007-31070
14) Kenilworth Railroad 15-3	API # 43-007-31168
15) Kenilworth Railroad 15-4	API # 43-007-31170

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7 UNIT or CA AGREEMENT NAME:

1 TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8 WELL NAME and NUMBER: Kenilworth/Cordingly Canyon

2 NAME OF OPERATOR: Marion Energy, Inc.

9. API NUMBER:

3. ADDRESS OF OPERATOR: 31 No. Main St. CITY Helper STATE Ut ZIP 84526

PHONE NUMBER: (435) 650-3923

10 FIELD AND POOL, OR WILDCAT: Kenilworth

4 LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
Date of work completion	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See attached documents. Pressures and water and gas for April.

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

NAME (PLEASE PRINT) Dave Smith TITLE Construction/Maintenance

SIGNATURE Dave Smith DATE 5/1/2013

(This space for State use only)

RECEIVED
MAY 0 1 2013
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

Kenilworth/Cordingly

Pressures

15-1

Tubing 0 Casing 5

15-5

Tubing 0 Casing 0

15-2

Tubing 0 Casing 0

10-1

Tubing 0 Casing 15

Cordingly 11-1

Tubing 0 Casing 80

Kenilworth RR 1-A

Tubing 400 Casing 1400

Kenilworth RR 1

Tubing 20 Casing 20

15-3

Tubing 20 Casing 50

Ball Park 1

Tubing 0 Casing 0

Kenilworth RR 2

Tubing 0 Casing 0

16-2 Not Drilled

17-2 Not Drilled

Kenilworth RR 15-4 Not Drilled

Clear Creek

10 29

Tubing	0	Casing	0

Oman 2-20

Tubing	110	Casing	90

6-17

Tubing	0	Casing	0

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: State ML 1256	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME: Clear Creek	
1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER	8. WELL NAME and NUMBER: Oman 10-29
2. NAME OF OPERATOR: Marion Energy	9. API NUMBER: 4300731210
3. ADDRESS OF OPERATOR: PO Box 1518 CITY Allen STATE TX ZIP 75013 PHONE NUMBER: (972) 540-2967	10. FIELD AND POOL, OR WILDCAT: Clear Creek

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2052 ft FSL & 1581 ft FEL COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 13S 7E STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 6/14/2013	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: MIT
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Marion Energy proposes to perform a casing integrity test on the Oman 10-29 well. Rig work to begin on 6/14/2014. We will set a 7" packer at a depth of +/- 4900' and test to 1000 psi for 30 minutes with a chart recording of the test. Depending upon the outcome of the test, Marion will either place the well on back production or repair the casing.

COPY SENT TO OPERATOR
Date: 6-17-2013
Initials: KS

NAME (PLEASE PRINT) Doug Endsley TITLE Consultant

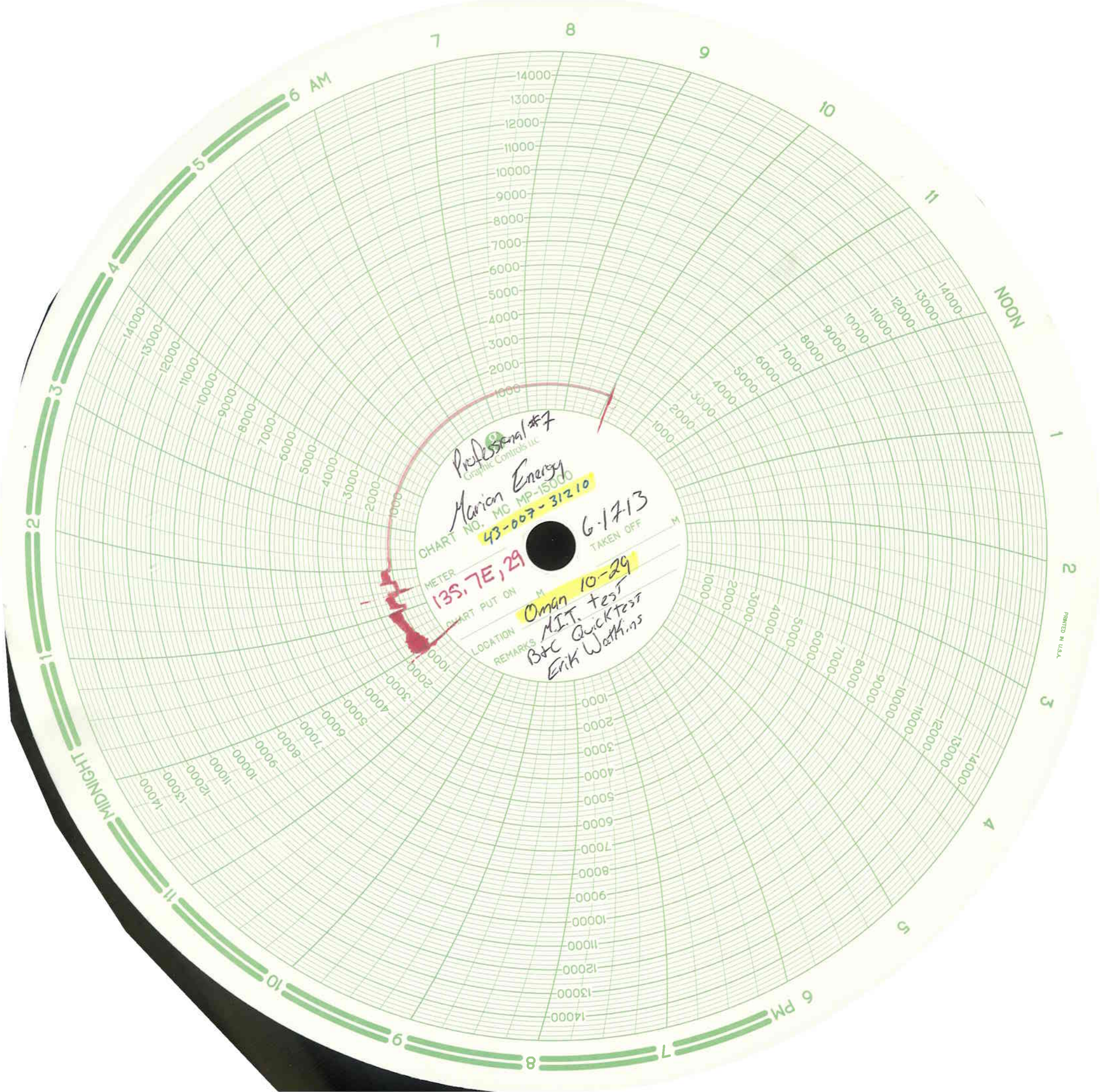
SIGNATURE Doug Endsley DATE 6/13/2014

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 6/13/2013
BY:

(5/2000) (See Instructions on Reverse Side)

RECEIVED
JUN 13 2013
DIV. OF OIL, GAS & MINING


Professional #7
Graphic Controls LLC
Marion Energy
CHART NO. MC MP-15000
43-007-31210
METER
135, 7E, 29
CHART PUT ON M
6-17-13
TAKEN OFF M
LOCATION Oman 10-29
REMARKS M.I.T. test
B&C QuickTest
Erik Watkins
6 AM
NOON
6 PM
MIDNIGHT
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State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

June 2, 2014

Certified Mail #7003 2260 0003 2358 7004

Jeff Clarke
Marion Energy, Inc.
3580 Orr Road
Allen, Texas 75002

29 13S 7E

Subject: Notice of Violation for Shut-in and Temporarily Abandoned Wells

Dear Mr. Clarke:

The Division of Oil, Gas and Mining (Division) issued Marion Energy, Inc (Marion) a Shut-in and Temporarily Abandoned Notice of Violation (NOV), dated January 3, 2013, for the following thirteen (13) wells.

Ballpark Cyn 16-2X	43-007-31207	Plugged and Abandoned - June 2013
Cordingly Cyn 10-1	43-007-31173	Plugged and Abandoned – October 2012
Ballpark Cyn 17-2	43-007-31169	Plugged and Abandoned – June 2013
Kenilworth RR 1-A	43-007-31229	Last Production – November 2008
Alpine School District 6-17	43-007-31181	Last Production – November 2008
Oman 10-29	43-007-31210	Comp – November 2008, Never Produced
Ballpark Cyn #1	43-007-31015	Last Production - June 2010
Cordingly Cyn 15-5	43-007-31167	Last Production – April 2010
Kenilworth RR #1	43-007-31006	Last Production – August 2010
Kenilworth RR#2	43-007-31007	Last Production – August 2010
Cordingly Cyn 15-2	43-007-31064	Last Production – August 2010
Cordingly Cyn 15-1	43-007-31065	Last Production – August 2010
Cordingly Cyn 11-1	43-007-31070	Last Production – August 2010

Marion plugged and abandoned the Ballpark Cyn 16-2X, Cordingly Cyn 10-1 and Ballpark Cyn 17-2 wells. The other ten (10) wells are still in noncompliance with Rule R64-3-16 Shut-in and Temporarily Abandoned Wells. If work was done on the wells Marion has not submitted notice of intent or subsequent sundry notices to the Division. If any work has been done on the wells please submit sundries immediately for the well files.

The operator is responsible to file, yearly, for extended shut-in or temporary abandonment for wells shut-in or temporarily abandoned for a period of twelve (12) consecutive months. Marion must file a Sundry Notice providing the following information for each of the above ten noncompliance wells; reasons for shut-in or temporarily abandonment of the well, length of time the well is expected to be shut-in or temporarily abandoned and an explanatio

and supporting data showing the well has integrity (R649-3-36.1). After review the Division will either approve the continued shut-in or temporarily abandoned status or require remedial action (R649-3-36.2). After five (5) years of non-activity or non-productivity, the well shall be plugged in accordance with R649-3-24, unless approval for extended shut-in time is given by the Division upon a showing of good cause by the operator (R649-3-36.3). Please note, three (3) of the ten noncompliance wells listed above have been shut-in over five (5) years.

Marion has until **June 30, 2014** to submit sundries, for the subject wells, in accordance with **Oil and Gas Conservation General Rule 649-3-36 Shut-in and Temporarily Abandoned Wells**.

Should Marion not meet shut-in and temporarily abandoned well requirements, the Division is prepared to file a Notice of Agency Action (NAA) for Commencement of Informal Adjudicative Proceedings (R649-10-3) for this matter in accordance with Oil and Gas Conservation General Rule R649-10 Administrative Procedures.

If you have any questions or need further assistance, please feel free to contact me at clintondworshak@utah.gov or 801-538-5280 or Dustin Doucet, Petroleum Engineer, at dustindoucet@utah.gov or 801-538-5281.

Sincerely,

Clinton Dworshak
Oil and Gas Compliance Manager

CLD/js
cc: John Rogers, Oil & Gas Associate Director
Dustin Doucet, Petroleum Engineer
Well Files
Compliance File

N:\O&G Reviewed Docs\ChronFile\Compliance

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-1256

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CLEAR CREEK

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: OMAN 10-29

2. NAME OF OPERATOR: MARION ENERGY, INC.

9. API NUMBER: 43007312100000

3. ADDRESS OF OPERATOR: 2150 South Central Expressway , McKinney, TX, 75070

PHONE NUMBER: 972 540-2967 Ext

9. FIELD and POOL or WILDCAT: CLEAR CREEK

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2052 FSL 1581 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 29 Township: 13.0S Range: 07.0E Meridian: S

COUNTY: CARBON

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 10/31/2014	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	✓ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Marion recently was recapitalized with funds to put the Clear Creek field on production, and has since been working step-wise through the field to accomplish that goal. This has included workover, fracking, repairing and/or re-rigging wells; establishing sufficient compression to put gas in the mainline; and to rehabilitate and fine tune the gas gathering and water pumping and disposal systems. The Oman 10-29 is one of two remaining wells that is in line for work. Marion Energy plans to frac this well in the near term following definitive production information from the Oman 2-20 which has recently been fracture stimulated and is currently being brought into production. We currently do not have a pressure test for this well.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
July 22, 2014

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Ben Evans	214 592-8615	Landman
SIGNATURE N/A		**DATE** 7/14/2014

RECEIVED: Jul. 14, 2014

Division of Oil, Gas and Mining
Operator Change/Name Change Worksheet-for State use only

Effective Date: 6/1/2015

FORMER OPERATOR:	NEW OPERATOR:
Marion Energy, Inc 1415 N Loop West, Suite 1250 Houston, TX 77008 281-540-0028	Utah Gas Operating Solutsion, LLC 1415 N Loop West, Suite 1250 Houston, TX 77008 281-540-0028
CA Number(s):	Unit(s): Clear Creek

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attache Listq									

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 6/24/2015
2. Sundry or legal documentation was received from the **NEW** operator on: 6/24/2015
3. New operator Division of Corporations Business Number: 9345770-0161

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD on: N/A
3. Reports current for Production/Disposition & Sundries: 6/25/2015
4. OPS/SI/TA well(s) reviewed for full cost bonding: 6/25/2015
5. UIC5 on all disposal/injection/storage well(s) approved on: 7/8/2015
6. Surface Facility(s) included in operator change: Clear Creek Tank Battery
7. Inspections of PA state/fee well sites complete on (only upon operators request): 6/25/2015

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: SU46335
2. Indian well(s) covered by Bond Number: N/A
3.State/fee well(s) covered by Bond Number(s): SU46334 and SU46341

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 7/9/2015
2. Entity Number(s) updated in **OGIS** on: 7/9/2015
3. Unit(s) operator number update in **OGIS** on: 7/9/2015
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 7/9/2015
6. Surface Facilities update in **RBDMS** on: 7/9/2015

LEASE INTEREST OWNER NOTIFICATION:

1. The **NEW** operator of the Fee (Mineral) wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 7/9/2015

COMMENTS:

Marion Energy, Inc to
Utah Gas Operating Solutions, LLC
Effective 6/1/2015

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status	Unit
ALPINE SCHOOL DIST 3-17	17	130S	070E	4300731182	2550	State	Fee	WD	A	CLEAR CREEK
RIDGE RUNNER 8-19	20	140S	070E	4301530682	2550	Federal	Federal	GW	OPS	CLEAR CREEK
RIDGE RUNNER 2-18	17	140S	070E	4301530683	16130	Federal	Federal	GW	OPS	CLEAR CREEK
UTAH FUEL 10	5	140S	070E	4300716016	2550	Fee	Fee	GW	P	CLEAR CREEK
RIDGE RUNNER 13-17	17	140S	070E	4301530269	2550	Federal	Federal	GW	P	CLEAR CREEK
UTAH FUEL 1	5	140S	070E	4300716009	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 2	32	130S	070E	4300716010	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 3	32	130S	070E	4300716011	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 4	30	130S	070E	4300716012	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 5	31	130S	070E	4300716013	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH MINERAL STATE	29	130S	070E	4300730102	2550	State	Fee	GW	PA	CLEAR CREEK
BALLPARK CYN 17-2	16	130S	100E	4300731169	15494	Fee	Fee	D	PA	
KENILWORTH RAILROAD 15-4	16	130S	100E	4300731170	15495	Federal	Fee	D	PA	
BALLPARK CYN 16-2	16	130S	100E	4300731171	15434	Fee	Fee	D	PA	
CORDINGLY CYN 10-1	15	130S	100E	4300731173	15435	Fee	Fee	D	PA	
BALLPARK CYN 16-2X	16	130S	100E	4300731207	15496	Fee	Fee	D	PA	
UTAH FUEL A-1	6	140S	070E	4301516021	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 8	19	130S	070E	4300716015	2550	Fee	Fee	GW	S	CLEAR CREEK
OMAN 2-20	20	130S	070E	4300730289	2550	State	Fee	GW	S	CLEAR CREEK
KENILWORTH RR #1	16	130S	100E	4300731006	14624	Fee	Fee	GW	S	
KENILWORTH RR #2	16	130S	100E	4300731007	14625	Fee	Fee	GW	S	
BALLPARK CANYON #1	16	130S	100E	4300731015	15159	Fee	Fee	GW	S	
CORDINGLY CYN 15-2	15	130S	100E	4300731064	15160	State	Fee	GW	S	
CORDINGLY CYN 15-1	15	130S	100E	4300731065	15161	State	Fee	GW	S	
CORDINGLY CYN 11-1	11	130S	100E	4300731070	15432	Fee	Fee	GW	S	
CORDINGLY CYN 15-5	15	130S	100E	4300731167	15433	State	Fee	GW	S	
KENILWORTH RAILROAD 15-3	16	130S	100E	4300731168	16041	Federal	Fee	GW	S	
ALPINE SCHOOL DIST 6-17	17	130S	070E	4300731181	2550	State	Fee	GW	S	CLEAR CREEK
OMAN 10-29	29	130S	070E	4300731210	2550	State	Fee	GW	S	CLEAR CREEK
KENILWORTH RR 1-A	16	130S	100E	4300731229	16456	Fee	Fee	GW	S	
RIDGE RUNNER 11-20	20	140S	070E	4301530271	2550	Federal	Federal	GW	S	CLEAR CREEK
RIDGE RUNNER 1-30	20	140S	070E	4301530680	2550	Federal	Federal	GW	S	CLEAR CREEK
RIDGE RUNNER 2-19	17	140S	070E	4301530684	2550	Federal	Federal	GW	S	CLEAR CREEK
RIDGE RUNNER 11-17	17	140S	070E	4301530685	2550	Federal	Federal	GW	S	CLEAR CREEK

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-1257
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME: Clear Creek
8. WELL NAME and NUMBER:
9. API NUMBER:
10. FIELD AND POOL, OR WILDCAT:

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER Compressor

2. NAME OF OPERATOR: Utah Gas Operating Solutions, LLC

3. ADDRESS OF OPERATOR: 1415 North Loop West, STE CITY Houston STATE TX ZIP 77008 PHONE NUMBER: (281) 540-0028

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 33 13S 7E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 6/1/2015	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please accept this as notice that as of June 1st,2015, Marion Energy, Inc. is resigning as the operator of the "Clear Creek Compressor Station" and assigning Utah Gas Operating Solutions, LLC. as the successor of operator. This is in conjunction with Utah Gas Operating Solutions, LLC bond number SU 46334.
"Clear Creek Compressor Station"
Sec 33 13S 7E NWNW

Marion Energy, Inc.
Signature: _____ Date: 6/11/15
Name: Douglas Flanner Title: VP

Utah Gas Operating Solutions, LLC.
Signature: Patrick W. Merritt Date: 6-15-2015
Name: PATRICK W. MERRITT Title: AGENT-LIMITED ATTORNEY IN FACT

NAME (PLEASE PRINT) Patrick W. Merritt TITLE AGENT-LIMITED ATTORNEY IN FACT
SIGNATURE Patrick W. Merritt DATE 6-15-2015

(This space for State use only)

APPROVED
JUL 09 2015
DIV. OIL GAS & MINING
BY: Rachel Medina

(5/2000) (See Instructions on Reverse Side)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-1257

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Clear Creek Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER:

2. NAME OF OPERATOR: Marion Energy, Inc

9. API NUMBER:

3. ADDRESS OF OPERATOR: 1415 N Loop W, STE 1250 CITY Houston STATE TX ZIP 77008

PHONE NUMBER: (281) 540-0028

10. FIELD AND POOL, OR WILDCAT: Helper Field

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: 6/1/2015	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

As of June 1st, 2015, Marion Energy, Inc. resigns as Operator over its former Clear Creek Unit and Helper Field assets. In conjunction with this resignation, Utah Gas Operating Solutions, LLC. will be taking over as the Successor Operator upon your approval. Please refer to all documents submitted by Utah Gas Operating Solutions, LLC. as successor unit operator and on behalf of Marion Energy, Inc. regarding this change.

Please see the attached Appendix A below for a complete well and facility list that will be transferred upon governing approval. As the Vice President of Marion Energy, Inc. I ask that you accept this letter as Marion Energy's official resignation and request to transfer operating rights to Utah Gas Operating Solutions, LLC.

Signature: _____ Date: 6/11/15

Doug Flannery
Vice President

NAME (PLEASE PRINT) PATRICK W. MERRITT TITLE AGENT - CONTRACT OPERATOR

SIGNATURE Patrick W. Merritt DATE 6-15-2015

(This space for State use only)

APPROVED

JUL 09 2015

DIV. OIL GAS & MINING

BY: Rachel Medina

(5/2000) (See Instructions on Reverse Side)

APPENDIX A

Well List

Well Name	Sec	TWN	RNG	API	Status
ALPINE SCHOOL DIST 3-17	17	130S	070E	4300731182	A
KENILWORTH RAILROAD 9-1	16	130S	100E	4300731172	LA
JACOB 5-5	5	140S	070E	4300731190	LA
JACOB 4-8	5	140S	070E	4300731191	LA
OMAN 2-31	30	130S	070E	4300731246	LA
OMAN 3-32	29	130S	070E	4300731247	LA
MADSEN 11-20	19	130S	070E	4300731297	LA
OMAN 7-19	19	130S	070E	4300731298	LA
WOOLSEY 3-31	31	130S	070E	4300731305	LA
OLD RAIL ROAD GRADE 17-1	17	130S	100E	4300731354	LA
KENILWORTH WASH 18-1	18	130S	100E	4300731355	LA
ALRAD CYN 13-1	13	130S	100E	4300731357	LA
CORDINGLY CYN 15-6	15	130S	100E	4300731416	LA
RIDGE RUNNER 7-20	20	140S	070E	4301530681	LA
RIDGE RUNNER 8-19	20	140S	070E	4301530682	OPS
RIDGE RUNNER 2-18	17	140S	070E	4301530683	OPS
UTAH FUEL 10	5	140S	070E	4300716016	P
RIDGE RUNNER 13-17	17	140S	070E	4301530269	P
UTAH FUEL 1	5	140S	070E	4300716009	PA
UTAH FUEL 2	32	130S	070E	4300716010	PA
UTAH FUEL 3	32	130S	070E	4300716011	PA
UTAH FUEL 4	30	130S	070E	4300716012	PA
UTAH FUEL 5	31	130S	070E	4300716013	PA
UTAH MINERAL STATE	29	130S	070E	4300730102	PA
BALLPARK CYN 17-2	16	130S	100E	4300731169	PA
KENILWORTH RAILROAD 15-4	16	130S	100E	4300731170	PA
BALLPARK CYN 16-2	16	130S	100E	4300731171	PA
CORDINGLY CYN 10-1	15	130S	100E	4300731173	PA
BALLPARK CYN 16-2X	16	130S	100E	4300731207	PA
UTAH FUEL A-1	6	140S	070E	4301516021	PA
OMAN 14-20	29	130S	070E	4300731209	RET
CORDINGLY CYN 2-1	2	130S	100E	4300731236	RET
SWD 1	28	130S	100E	4300731417	RET
SHIMMIN 33-1	33	120S	110E	4300731431	RET
SEAMONS 5-8	8	130S	070E	4300731432	RET
CRITCHLOW 29-1	29	120S	110E	4300731433	RET
RADAKOVICH 12-5-1	5	130S	070E	4300731434	RET
ALLRED 10-1	10	120S	110E	4300731435	RET

RADAKOVICH 12-5	5	130S	070E	4300731436	RET
SEAMONS 5-8-2	8	130S	070E	4300731437	RET
WOOLSEY 3-31-1	31	130S	070E	4300731438	RET
ALLRED 13-1	13	120S	110E	4300731439	RET
JACOB 5-5	5	140S	070E	4300731513	RET
UTAH FUEL 8	19	130S	070E	4300716015	S
OMAN 2-20	20	130S	070E	4300730289	S
KENILWORTH RR #1	16	130S	100E	4300731006	S
KENILWORTH RR #2	16	130S	100E	4300731007	S
BALLPARK CANYON #1	16	130S	100E	4300731015	S
CORDINGLY CYN 15-2	15	130S	100E	4300731064	S
CORDINGLY CYN 15-1	15	130S	100E	4300731065	S
CORDINGLY CYN 11-1	11	130S	100E	4300731070	S
CORDINGLY CYN 15-5	15	130S	100E	4300731167	S
KENILWORTH RAILROAD 15-3	16	130S	100E	4300731168	S
ALPINE SCHOOL DIST 6-17	17	130S	070E	4300731181	S
OMAN 10-29	29	130S	070E	4300731210	S
KENILWORTH RR 1-A	16	130S	100E	4300731229	S
RIDGE RUNNER 11-20	20	140S	070E	4301530271	S
RIDGE RUNNER 1-30	20	140S	070E	4301530680	S
RIDGE RUNNER 2-19	17	140S	070E	4301530684	S
RIDGE RUNNER 11-17	17	140S	070E	4301530685	S

Facility List

Clear Creek Compressor Station	33	13S	7E

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-1256

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CLEAR CREEK

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: OMAN 10-29

2. NAME OF OPERATOR: UTAH GAS OPERATING SOLUTIONS,LLC

9. API NUMBER: 43007312100000

3. ADDRESS OF OPERATOR: 1415 North Loop West, STE 1250 , Houston, TX, 77008

PHONE NUMBER: 281 540-0028 Ext

9. FIELD and POOL or WILDCAT: CLEAR CREEK

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2052 FSL 1581 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 29 Township: 13.0S Range: 07.0E Meridian: S

COUNTY: CARBON

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☑ SUBSEQUENT REPORT Date of Work Completion: 7/24/2015	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☑ OTHER	OTHER: Site clean up

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

We have completed work on the location. We have filled in the drilling pit, stabilized the separator building, and fixed the drainage so that the excess location to the East of the wellhead did not drain across the working area of the location.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
September 01, 2015

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Tyler Merritt	281 540-0028	Project Manager
SIGNATURE N/A		**DATE** 9/1/2015

RECEIVED: Sep. 01, 2015

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-1256

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CLEAR CREEK

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: OMAN 10-29

2. NAME OF OPERATOR: UTAH GAS OPERATING SOLUTIONS,LLC

9. API NUMBER: 43007312100000

3. ADDRESS OF OPERATOR: 1415 North Loop West, STE 1250 , Houston, TX, 77008

PHONE NUMBER: 281 540-0028 Ext

9. FIELD and POOL or WILDCAT: CLEAR CREEK

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2052 FSL 1581 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 29 Township: 13.0S Range: 07.0E Meridian: S

COUNTY: CARBON

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 7/1/2016	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	✓ OTHER	OTHER: Update

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well is shut in waiting on a frac. It is our intention to frac this well as soon as we get results from our efforts to bring the other wells in this field into production.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
February 16, 2016

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Tyler Merritt	281 540-0028	Project Manager
SIGNATURE		**DATE**
N/A		2/11/2016

RECEIVED: Feb. 11, 2016